

TO BE PASSED ASSISTANT PAYMASTERS

Arnold R. Kline
Joseph L. Herlihy

POSTMASTERS

COLORADO

Michael F. O'Day, Lafayette.
Elmer M. Ivers, Loveland.

DELAWARE

George I. Bandler, Delaware City.

INDIANA

Willis E. Payne, Borden.
Ervin Sell, Columbia City.
Ellis B. Cates, Greentown.
Maurice L. Cory, Kingman.
Fred C. Brewer, La Porte.
Orville R. Nethercutt, Logansport.
Lyman Thomas, Pennville.

IOWA

Auzman H. Blackmore, Alden.
Willard L. Street, Center Point.
Mary Doris Carroll, Clear Lake.
John A. Davis, Colfax.
Gordon J. Mosby, Elgin.
Jacob A. Schwartz, Fenton.
Vestie L. O'Connor, Graettinger.
Benjamin Roy Bogenrief, Hinton.
Russell E. Whipple, Lehigh.
Paul M. Molleston, Lineville.
James B. Bellamy, Nashua.
Edna Pearl Feuling, New Hampton.
Harry E. Chichester, New London.
Alice A. Higgins, Orient.
Oscar C. Watts, Pisgah.
Charles E. Horning, Richland.
Joseph C. Kinney, Stacyville.
Leander A. Klisart, Strawberry Point.
Dudley A. Reid, Valley Junction.

KANSAS

Cyrus H. Wadsworth, Cottonwood Falls.
Ralph L. Hinnen, Potwin.
Harold Goble, Riley.
Leigh D. Dowling, Saint Francis.
James M. Michaels, Scranton.

KENTUCKY

Nathaniel M. Elliott, Corbin.

MAINE

Thomas L. Pineau, Chisholm.
Adelard J. Dumais, Livermore Falls.
Hildred M. Rider, Rockport.
Wesley E. Spear, Warren.

MISSISSIPPI

Henry R. Park, Merigold.

NEW HAMPSHIRE

Willis E. Herbert, Franconia.
Jeremiah D. Hallisey, Nashua.
Edward S. Perkins, Sunapee.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 17, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Once more, our Heavenly Father, through Thy loving providence, we have the promise and the hope of another day. Out of the mercy of grateful hearts, may we thank Thee. Come Thou, Almighty God, and reign over us. We rejoice amid the perils of life; we are safe not in our own virtue but in Thy guardianship and in the plenitude of the Father's love and care. The stress of circumstances, the conflicts of temptation, the burdens of duty bring heavenly

teachings out of the clouds. We pray for a courageous faith in God, a steadfast trust in Him, our Savior. In these great qualities of soul there is a compelling expectation. Gracious Lord, bless the truth, winnow it, that the pure and the good may remain an abiding reality and a sweet memory. In the holy name of Jesus. Amen.

The Journal of the proceedings of Tuesday, May 15, 1934, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9061. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1935, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. THOMAS of Oklahoma, Mr. GLASS, Mr. COPELAND, Mr. KING, Mr. NYE, and Mr. KEYES to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5950) entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto."

The message also announced that the Senate agrees to the reports of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to bills of the Senate of the following titles:

S. 2080. An act to provide punishment for killing or assaulting Federal officers;

S. 2249. An act applying the powers of the Federal Government, under the commerce clause of the Constitution, to extortion by means of telephone, telegraph, radio, oral message, or otherwise;

S. 2252. An act to amend the act forbidding the transportation of kidnaped persons in interstate commerce;

S. 2253. An act making it unlawful for any person to flee from one State to another for the purpose of avoiding prosecution in certain cases;

S. 2575. An act to define certain crimes against the United States in connection with the administration of Federal penal and correctional institutions and to fix the punishment therefor;

S. 2841. An act to provide punishment for certain offenses committed against banks organized or operating under laws of the United States or any member of the Federal Reserve System; and

S. 2845. An act to extend the provisions of the National Motor Vehicle Theft Act to other stolen property.

The message also announced that the Senate had passed bills, joint resolutions, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 2527. An act to amend the act of May 29, 1930, for the retirement of employees in the classified civil service;

S. 3285. An act to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes;

S. 3436. An act limiting the operations of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain proceedings against the Electro-Metallurgical Co., New-Kanawha Power Co., and the Union Carbide & Carbon Corporation;

S.J.Res. 121. Joint resolution authorizing the President to return the mace of the Parliament of upper Canada to the Canadian Government;

S.J.Res. 123. Joint resolution empowering certain agents authorized by the Secretary of Agriculture to administer oaths to applicants for tax-exemption certificates under the Cotton Act of 1934; and

S.Con.Res. 16. Concurrent resolution authorizing the Secretary of the Senate, in the enrollment of the bill S. 2845, to correct an error.

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 3364) entitled "An act for the relief of G. T. Fleming."

The message also announced that, pursuant to House Concurrent Resolution No. 37, the Chair appoints, as the members on the part of the Senate of the joint committee to arrange a program for the joint session of the two Houses on May 20, 1934, in commemoration of the death of Marquis de La Fayette, the following: The Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. ROBINSON], the Senator from Kentucky [Mr. BARKLEY], the Senator from Ohio [Mr. FESS], and the Senator from New Jersey [Mr. KEAN].

OLD-AGE PENSIONS

Mr. BYRNS. Mr. Speaker, several days ago the gentleman from Oklahoma [Mr. DISNEY] delivered a very able address over the radio, and I ask unanimous consent to extend my remarks by printing it in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following very able address delivered over the radio by the gentleman from Oklahoma, Mr. DISNEY:

I have the honor and privilege of speaking to you on one of the most interesting subjects that is being discussed throughout the length and breadth of our land—old-age pensions—a subject that has occupied the attention of nearly all the nations of the globe.

In dealing with any problem we should first obtain facts and statistics regarding it and then formulate a policy in order to bring about its solution. If the question is debated, the solution is more easily reached; and if it has been tested, it is then possible to determine whether or not it is practical.

In every civilized country of the world, excepting China and India, the principle of the old-age pension has been adopted. Thirty countries in all, including the principal industrial countries of Europe, have enacted old-age-insurance laws in some form. As long ago as 1850 France passed the first old-age insurance law, which provided a voluntary system of insurance for all residents of France, irrespective of age or disability.

Germany was the first country to provide compulsory old-age insurance, the initial legislation passed in 1889 covering all wage earners, independent workers, and home industrialists; and Great Britain's compulsory old-age insurance law of 1925 covers all manual and nonmanual workers who earn less than 250 pounds annually.

In 1898 Italy enacted a voluntary system for all persons between the ages of 16 and 65 who paid in direct taxes to the State not more than 500 lire per annum and independent workers and members of the liberal professions. All these persons were covered in the compulsory insurance act of 1919, as amended in 1928, provided that those earning 800 lire per month or more might claim exemption from the compulsory insurance.

Czechoslovakia has two compulsory old-age insurance laws, one passed in 1906 covering all salaried employees and another enacted in 1924 for all wage earners.

Holland has had a compulsory-insurance system since 1913 for all wage earners over 14 years of age earning less than 2,000 florins annually. A voluntary insurance law for all Netherlanders regardless of residence, income, and property qualifications, was passed in 1919.

Sweden's compulsory law of 1913 provides that all citizens between the ages of 17 and 67, except persons covered by the pension systems for civil servants and for the Army and Navy, shall contribute to the insurance fund.

In Spain a compulsory-insurance law passed in 1919 covers all wage earners between the ages of 16 and 65 who earn less than 4,000 pesetas annually.

Switzerland has no Federal law, but five cantons have insurance systems, the earliest passed in 1898 and the most recent in 1930.

Other European compulsory-insurance systems have been established by Austria, Belgium, Bulgaria, Greece, Hungary, Lithuania, Luxemburg, Poland, Portugal, Rumania, and Yugoslavia.

Canada established a compulsory system for all employees of the Government railways in 1907, and a voluntary system in 1908 for all residents of the Dominion.

Our country can join in the solution of this problem, as well as the other economic problems of the day.

In the bill I introduced in the first session of the present Congress is a provision providing for a pension of \$30 a month for

persons over 60 years of age, with certain conditions and restrictions.

Fifty years ago the number of persons in the United States over that age was about a million; today it is over 6,000,000. One third of these are in the almshouses and charitable institutions and over a billion dollars in charity a year is expended in their maintenance.

This is charity, but what true-blooded American wants charity? Charity of a kind that does not come from the heart, but is doled out to those whose means of subsistence is gone and whose homes are destroyed never to be regained. A man without a home is a man without a country.

Industry in general refuses the application of the man who has passed the age of 45, no matter how able-bodied or useful he may be, or appear to be. Even the Federal Government in its civil-service applications has until recently refused to consider those who are of certain mature ages.

As stated by Hon. William M. Brucker, formerly Governor of the State of Michigan, "Penury in advanced age is a misfortune which may beset us all", and as our own illustrious President, who, when Governor of New York, in advocating consideration of a wider, contributory insurance plan, declared: "Our American aged do not want charity, but rather old-age comforts to which they are rightfully entitled."

Insurance for aged and infirm people is based on a principle as broad and as sound as humanity itself—that is, brotherly love—but it can properly be classed as sound business judgment to give the individual during his earlier years the assurance that in his later life he shall not be set adrift on charity.

To furnish a human being with the necessities of life through the medium of public charity is obnoxious to the donor, repugnant to the recipient, and a degradation to the public mind. It induces poverty, squalor, and crime because of its tendency to disarm pride and independence.

A pension or insurance advanced as a legal heritage, based on the broad ground of paying a moral obligation which the Government owes those citizens who have supported it, and who became needy, stimulates and encourages its beneficiaries to usefulness and endeavor. Public begging and public almsgiving have impoverished every nation in history that has permitted this evil to thrive. Like a cancer, it eats its way in the public heart, destroys public confidence, fosters hypocrisy, and brings human fear of old age and poverty.

Aid extended by a kindly government inspires loyalty, patriotism, and encourages human kindness and friendliness; more especially it promotes a spirit of cooperation that is for the benefit of organized society itself.

From all the facts and figures available it costs no more, if as much, to support the aged under an insurance system than it does at the poor farm, so that business men need not flinch at the suggestion that the tax burden is enlarged.

Old-fashioned America once stood aghast at the sight of the laborers of the country going to work in their own automobiles, but industry has found that the best workmen are those satisfied with the comforts of life. Industry was not adversely affected by its artisans having their own automobiles and other luxuries. Yesterday's paper carried an interview by Frank A. Vanderlip, one-time Assistant Secretary of the Treasury, and for 10 years head of the biggest bank in the United States, the State National Bank of New York City, in which he advocated the principles for which I am contending, and recognized the necessity for handling the old-age pension problem in his advocacy of old-age annuities.

I would repeat that industry does not need to fear a people, which in its twenties, thirties, and forties, feels sure that it will be taken care of in its fifties and sixties.

Why has the last half century witnessed in the United States (not in any other country) the greatest age of creative inventive genius known to history? The answer is: A citizenship certain and satisfied and therefore mentally free, that under our form of government, our Constitution, and our bill of rights, their homes, persons, families, and property rights would be secure. This individual mentality arose in no other nation. In no other nation has the individual had the mental freedom that he has enjoyed in America.

I predict that before any great stretch of time, that those necessities of life, food, shelter, and clothing, those things that worry our days and nights, put upon us a badge of fear and care, that drives men to the suicide's grave, will become mere incidents in the life of tomorrow; that they will be substantially free to him who will expend a minimum of effort then required to acquire them, those things that God gave us for our use and benefit. This requires no stretch of the imagination, but simply honest reasoning. The kings of yesterday with all their riches did not have electric lights, airplanes, automobiles, radios; they could not be had for all the riches of the Indies. Today they are mere incidents of the average man's life. The luxuries of yesterday are the necessities of today.

The new deal for social justice would seem necessarily to include the whole plan of assuring the useful citizen of today that he will not be the pauper and the beggar of tomorrow. If the new deal drives discouragement and despondency from the land and replaces them with the calm, certain assurance that old age shall not mean penury, then this epoch is indeed a landmark of history.

In passing permit me to say to my audience that the assurances of the success of the new deal and the certainty of the success of the recovery program are each day appearing in the

Nation's Capital, making assurance doubly sure. Of course, certain of the opposition hold up their hands in holy horror at the President's budget of \$10,000,000,000, but they overlooked his frankness in telling us what the country needed and when it might expect the liquidation of the debt and the balancing of the Budget. And, too, they refused to notice the headlines of the newspapers which carried the news of the \$10,000,000,000-Budget, for blazoned on every other headline was such encouraging news as these: "Biggest Christmas trade in history of New York; world cotton activity near 1929 level; pig-iron output gains 52 percent; big come-back by industrial firms; Prudential Insurance Co. pays \$79,000,000 dividends; shoe sales increase 50 percent; grain prices higher; cattle and hog prices stronger." Not much consolation for the oracles of gloom and despair, I should say.

As stated by W. A. Pat Murphy, commissioner of labor of my own State of Oklahoma, "The United States is the richest and foremost nation in the world. It is the only industrial nation in the world which has failed to realize the necessity of providing ways and means of taking care of its veterans of hard work and toil. Think of the plight of these old people confronted with unemployment as they approach the sunset of life, inevitable dependents on public assistance. Men and women, many of whom are without children to whom they might look to for support, victims of circumstances over which they have no control, caused by changed industrial operations, they being trained in occupations which no longer exist. Men and women striving to conceal, rather than parade, their poverty."

Can you imagine a sadder sight than the hungry man searching for employment and no one wanting to hire him because of his age? With industry neglecting him, with what weary feet of discouragement he plods on.

This problem confronts you and me. It is not new by any means.

Thomas Carlyle said: "It is not to die, nor even to die of hunger that makes a man wretched. Many men have died. All must die." But it is to live miserably, we know not why. To work hard and gain nothing. To be heartworn, weary yet isolated, unrelated, with a cold universal doctrine of 'let well enough alone.'"

This is the reason I come to the defense of our elderly people. This is the human need for which the ages cry out, and in such way as we can, we shall endeavor to meet that plea of the Psalmist when he said, "Cast me not off in the time of old age. Forsake me not when my strength falleth."

The bill I have been discussing is as follows:

H.R. 7019

A bill to provide old-age compensation for the citizens of the United States

Be it enacted, etc., That every person who gives satisfactory proof to the authority hereinafter designated that he or she (a) has reached the age of 65 years; (b) has been a citizen of the United States for 20 consecutive years; (c) who is not in receipt of an income from any source of over \$360 per year, shall be entitled to receive until death a pension from the United States Government of \$30 per month.

Sec. 2. That if such person has other income, then his pension shall be rated in proportion to such income, so his total income, including pension, shall not exceed \$360 per annum: *Provided,* That any amount paid under the provisions of this act to any pensioner shall be a lien on the estate of said pensioner, the title to which shall automatically pass to the United States of America, and shall be collected by the said Federal Commissioner of Pensions and paid into the Treasury of the United States.

Sec. 3. That no person shall be paid a pension under the provisions of this act until he voluntarily withdraws from the field of competitive earning: *Provided,* That the occupation of agriculture shall not be hereby deemed as a field of competitive earning where the total area of land so cultivated shall not exceed 5 acres, and where no products of said 5 acres are sold or bartered or offered for sale or barter.

Sec. 4. The provisions of this act shall be administered by the Director of Pensions, who shall be appointed by the President of the United States, at a salary of \$7,500 per annum, payable monthly, said appointment to be for a term of 4 years or until removed by the President. Said Director of Pensions shall be empowered to set up machinery and organization for carrying this act into effect, and for maintaining its administration and for such other purposes as are necessary to carry out the provisions of this act.

Sec. 5. In order to provide sufficient income for the purpose of this act it is provided that a levy of one half of 1 percent of all salaries, earnings, income, etc., of all persons between the ages of 21 and 45, inclusive, be paid into the Postal Savings Division of the Post Office Department and to be deposited in a fund designated as the "old-age pension fund."

Sec. 6. That an advisory board be created, said advisory board to consist of the Postmaster General, the Secretary of the Treasury, and the Secretary of Labor, who, in conjunction with the Director of Pensions, shall have the power and authority to scale downward or reduce the tax on earnings to any figure under the specified one half of 1 percent, provided it is found that the lower rate will be sufficient to take care of the necessary demands upon the pension fund.

Sec. 7. The benefits under this act shall not be granted to any person who has, within 5 years prior to making application for compensation, deprived himself, directly or indirectly, of any property for the purpose of qualifying for benefits hereunder.

Sec. 8. The benefits under this act shall not be granted to any person while an inmate of an insane asylum, eleemosynary institution, or while under penal sentence in any jail or prison.

EXTENDING THE TIME FOR AMERICAN CLAIMANTS TO MAKE APPLICATION FOR PAYMENT UNDER THE SETTLEMENT OF WAR CLAIMS ACT OF 1928

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 325, extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commissions, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment under the Settlement of War Claims Act of 1928 of awards of the war claims arbiter, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. DOUGHTON, Mr. SAMUEL B. HILL, Mr. CULLEN, Mr. TREADWAY, and Mr. BACHARACH.

AMENDING THE GRAIN FUTURES ACT

Mr. SABATH, from the Committee on Rules, by direction of that committee, reported the following resolution, which was referred to the House Calendar and ordered to be printed:

House Resolution 387 (Rept. No. 1668)

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9623, a bill to amend the Grain Futures Act, to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity-futures exchanges, by providing means for limiting short selling and speculation in such commodities on such exchanges, by licensing commission merchants dealing in such commodities for future delivery on such exchanges, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. CANNON of Missouri. Mr. Speaker, the Senate has just messaged over the bill H.R. 9061, making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1935, and for other purposes, the District bill, with amendments, and the bill with the Senate amendments is now on the Speaker's table. The Senate has taken the rather unconventional course of insisting on its amendments and asking conference, and has appointed conferees before the House was apprised of the disposition of the bill and without giving the House an opportunity to agree to the amendments.

In view of this intimation on the part of the Senate that its amendments are of such a nature that the House cannot be expected to agree to them, I ask unanimous consent to take the bill from the Speaker's table, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. CANNON of Missouri, Mr. BLANTON, and Mr. JACOBSEN, Mr. DITTER, and Mr. POWERS.

WAR DEBTS AND SOME FACTS IN CONNECTION THEREWITH

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAMNECK. Mr. Speaker, I rise to address the House on a matter which I believe to be at this time uppermost in the minds of the American people. I refer to the subject of the debts due and owing to this country by the foreign nations.

To refresh our memories it might be well at this point to say that in 1923, when the debt-funding agreements were entered into, Great Britain owed us \$4,600,000,000, which we agreed to cancel if they paid 3.3-percent interest for a period of 62 years.

France owed us at the same time \$4,025,000,000 and we agreed if she paid us 1.6-percent interest for 62 years, her debt would be cancelled.

Italy owed us \$2,042,000,000, which we agreed we would cancel if she paid us 0.4 of 1 percent interest over the same period of time.

It must be remembered that we borrowed all this money from our citizens, on which we pay at least 4-percent interest. Our approximate loss in interest alone, from the date of the refunding of these debts (or 11 years) was \$2,200,000,000.

Another thing it might be well to mention at this point is when we went to Europe with our supplies and our men to fight for the Allies France thought they ought to have duty on all our imports and did collect on them for some time. They also made us pay for all buildings and trenches taken over by our forces. They made us agree to sell them all our supplies after the war. When the war closed we inventoried our supplies and found we had \$2,000,000,000 worth of supplies in France, but France at first said they could not pay us \$2,000,000,000 but would pay us 20 percent, which was \$400,000,000, and when we attempted to include this amount in what they owed us at the time of the debt settlements they refused to permit the item to be included, and we actually donated them \$2,000,000,000 worth of supplies.

I will leave it to your judgment whether or not the United States has been fair and just with our debtors, especially in the case of France.

The enormous sum of \$12,000,000,000 is now outstanding and remains unpaid. It is obvious that no earnest effort is being made to discharge these debts. I believe a frank discussion of this question is not only timely but imperative. We have been coddled along with this excuse and that excuse as reasons for nonpayment during the past several years, and the time has now arrived when we should, I think, begin to doubt seriously the good faith of some of our debtors in the representations they have been making of their inability to meet these past-due obligations.

If it were plainly a case of inability to pay on the part of these foreign nations, then I would be the last one on this floor to question the good faith of their varied excuses. But I submit, Mr. Speaker, that such is not the case. The greater part of the debts due our Nation is owing by the nations of Great Britain and France. It is only within the past few weeks that Great Britain published figures showing a surplus of some \$200,000,000 for the fiscal year just closed, but no mention was made of the debt they owe us. In view of these figures, can it be truthfully said that Great Britain is unable to make some substantial payment on her indebtedness to this country? I think not. And in the case of France, the nation with the second largest gold holdings in the world, can it be truthfully contended that she is not in a financial position to commence payments on her obligations to our country?

When our Nation devalued the gold content of the dollar to the extent of approximately 60 percent of its former value, did we not thereby practically double the value of her gold holdings in terms of our dollars? Why then is she not in a position at the present time, with the enormous increase in the value of her gold holdings in terms of our dollar, to apply at least some of the increased value to the discharge of her indebtedness to us? By devaluation of the gold content of our dollar, we have automatically cut the amount of this indebtedness in half, in terms of American dollars.

If Great Britain and France show no disposition at the present time to consider seriously the payment of these

obligations, are we not justified in the conclusion that they never intend to pay? And, if we are justified in this conclusion, should not our Nation, without further delay and procrastination, look to some means or methods of enforcing collection?

I realize that this is a delicate subject for discussion because of the diplomatic relations involved, but I submit that public sentiment throughout the country over this question is being aroused to such an extent that the American people will soon be demanding action, and vigorous action, regardless of the consequences, in a final disposition of this matter.

I make bold to assert that there are means and measures that can be taken by our country to bring these debtors to some sense of their moral and legal obligations. We have recently thrown down the bars on the unlimited importations of liquor and wines from both Great Britain and France into this country. I question the wisdom of this policy when it appears to me it would be no more than good business judgment for this Government to place an embargo on such importations until such time as these two nations would come to some terms on the payment of their indebtedness to us. There are other nations that are not in total default or that do not owe us anything that could supply the needs of our Nation with high-grade wines and liquors just as well as Great Britain and France. Scotch whiskies are no better than Canadian or Irish whiskies. French wines are no better than Italian or German wines. Why permit any defaulting nations to reap the harvest of the large importations of these wines and liquors, so long as they refuse to make an honest effort to discharge at least a substantial part of their large past due indebtedness? It is only by such an embargo on these and other articles that can be imported as well from other countries against these defaulting nations that we are ever going to collect any substantial sum.

You know, and I know, that they are not going to favor us in any particular trade relationships to enable us to gain any advantage in international commerce. If I owe you a sum of money, Mr. Speaker, and the matter of payment on same is in dispute between us, it is only natural that until the matter is adjusted in some definite terms, I am not going to do any business with you to your advantage. That is only human nature, and it applies to nations as well as to individuals.

It is my firm conviction that unless our Nation takes some immediate and determined steps to enforce such an embargo against these defaulting nations we may as well decide that we will never receive payment of this huge indebtedness. Mr. Speaker, I favor such an embargo now.

THOROUGHNESS, COURAGEOUSNESS, AND UNSELFISHNESS

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address by the gentleman from New York [Mr. CELLER].

The SPEAKER. Is there objection?

There was no objection.

Mr. BOYLAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by the gentleman from New York, Mr. CELLER, at the commencement exercises of boys' high school of Brooklyn, January 31, 1934:

"Commencement", at first blush, seems a misnomer. Why should the "commencement" be the ending of a 4-year period of instruction? It is like the Roman god, Janus, with two heads facing opposite directions. Tonight marks the ending of a creditable course of study and the beginning or facing of a new era for each one of you. It is also like opening the door into another room. Going through that portal marked "commencement" is indicative of the fact that nothing in this life is conclusive. There is never an ending. Just as the great Roosevelt said recently, "Civilization does not stand still", you, who make up that civilization, cannot stand still. You must move ever onward. Your triumph of 4 years is but the threshold leading to another conquest, beyond which is another door leading to a fresh experience.

It is well, however, at this state of your progress through life—this resting place—to wipe your brow and take out a compass and sextant to find your whereabouts.

You will discover that we are living in parlous times—times that try men's souls. In the protected surroundings of boys' high school, you may not have fully realized the economic perils that

besiege us. One can never see the mountain near. One must permit one's self a perspective before one can appreciate the majesty and magnificence of the mountain. We who are making history cannot grasp its full import. Posterity shall render the true verdict.

It has been brought home to most of us, however, even our youth, that we are in an economic maelstrom. The future looks to you, vigorous youth, blest with 4 years of fruitful training, for assistance and even leadership in the effort to steer our course away from this peril.

As I look into your faces I see marked indelibly thereon utmost sincerity, a will to achieve, and even a desire to lead. I know that you do not wish to be dumb, driven cattle, but prefer to be the heroes in the strife. I do not wish to be guilty of preachment and have no desire to deliver a dull lecture. I would dispel the popular theory that Congressmen are given to drab and tiresome oratory. This remark brings to mind one of my favorite stories. A young lad was carrying a tremendous burden of newspapers and magazines. A sympathetic old lady, seeing him stagger along under their weight, said, "My poor boy! Don't you find those papers tiring?" "No ma'am," he said, "I never read them."

I hope I may not be tiring.

In the pursuit of my own ideals and quest for happiness since my graduation in 1906 from boys' high school, I have found that one more easily avoids the pitfalls and levels the barriers if one is thorough, courageous, and unselfish.

Many of the tragedies of public and private life are caused by failure to think things through and act them through. We find the dilettante everywhere. His is an easy, care-free existence. He is rarely a success and most often a complete failure. Comparatively few men take the time to get to the heart of a matter, but, ever remember, that concentration is the price of success. Your training shall have been for naught unless and until you have learned thoroughness. It may be a habit hard to acquire, but it is a pearl of great price. Strange as it may seem, and this is said with no desire to be offensive or hypercritical, one of the most prominent men in the United States today, the veteran Senator Blank, lacks thoroughness—congressional courtesy precludes my naming him. In the slang of the moment, he is a "trimmer." He criticizes mercilessly. However, he merely trims the edges and never gets to the crux of the matter. It is a rather curious truth that there never has been a bill passed by both Houses of Congress which bears the name of Senator Blank. Let us look at the other side of the shield. Senator WAGNER, quite the junior of Blank in years and in service in the Senate, is a hard-working, hard-hitting, thorough-going legislator. He works incessantly and proceeds from the very edge to the center. Many bills bear his name. He is no mere faultfinder.

One of my favorite characters in American history is Grover Cleveland. He was by no means a genius. He did not have the great intellectual qualities of a Hamilton or a Lincoln. He did, however, possess a rugged honesty, firmness, common sense, and complete thoroughness. When this country was in dispute with England over the Venezuelan boundary line, Cleveland spent days without end in studying the situation. No details were too great for him to master. His Secretary of State Olney had prepared a message of protest but with circumspect care and thoroughness Cleveland revised it. It became an historical document and brought proud England to her knees and forced upon her settlement of the boundary dispute. It was Cleveland's courage and thoroughness that prevented Great Britain from making a willful aggression upon the South American Continent in violation of the Monroe Doctrine.

In the journey along life's highway, courage is a prime requisite. President Roosevelt's outstanding characteristic is courage. When he embarked upon his public career, he must have vowed that he would banish indecision and vacillation. When he was Governor he was confronted with the charges against Mayor Walker. He had to make a quick and courageous decision. He took his political life in his hands. He knew that a judgment against the mayor involved the hostility of a huge political organization that would wreak its vengeance upon him. Roosevelt cared not and vigorously decided against the mayor. This was courage of the highest order. Achilles could be justly envious.

Within a few minutes of taking the oath of office as President of the United States, he was faced with making a decision which was, to my mind, the most momentous in the history of our country. The banks of our Nation were closing with astonishing rapidity. A crisis had been reached. Something had to be done immediately. Rare wisdom was required. Roosevelt was keenly aware that action was imperative. Indecisiveness was inconceivable. Experience and training had taught him that vacillation in such instances invariably meant tragedy. In the language of Hamlet, "If 'twere done, 'twere well 'twere done quickly." He took pen in hand, and without hesitancy, signed the order proclaiming the national banking holiday. History does not reveal the name of the monarch or President who, upon his immediate assumption of power, closed all the money marts, banks, and exchanges of a nation. It took courage of an unearthly order to do this. It is this type of courage you should take unto your own hearts. It is such courage that solves the multitudinous problems which now confront us.

It was this same brand of courage which caused the immortal Lincoln, as a matter of military expediency, to draft the Emancipation Proclamation.

Let me illustrate with another historic incident. Jefferson Davis was President of the Confederacy. Judah P. Benjamin,

former Senator from Louisiana, was his Secretary of War. The aristocracy of the South viewed him with disfavor. Jefferson Davis, knowing Benjamin's rare ability, courageously refused to force his resignation, among other reasons, on the score of his being a Jew.

The Confederate armies had suffered a serious defeat with the fall of Fort Donaldson at the hands of General Grant. The popular hero of the South, Gen. Albert Sidney Johnson, was killed. A scapegoat had to be found. They seized upon Judah P. Benjamin. Jefferson Davis, with rarest courage, refused to dispense with the services of Judah P. Benjamin. He accepted his resignation as Secretary of War and, despite public clamor, advanced him to the position of Secretary of State. His confidence in Benjamin, in the light of subsequent developments, was amply justified. It required, however, a tremendous fearlessness to withstand popular prejudice. This is the courage we expect of you after graduation when you commence your careers.

You must be thorough. You must be courageous. You cannot be selfish.

Aboriginal man fought nature. Not being satisfied with this conquest he turned to fight other men. His greed and selfishness wanted everything in sight. In this civilized age he has not yet learned to live and let live. He is a selfish, acquisitive creature who must rule or ruin. Now, more than ever, in the era of the new deal, he must learn to be his brother's keeper. Until the Nation acquires this knowledge and becomes selfless, the weak will still be stricken down and the new deal shall have been for naught. It is logical to suppose that we are in this economic mess because the past generation was selfish and greedy. It exploited and nearly exhausted many of our natural resources with little thought for the future. With reckless disregard for the individual, science substituted machinery. Technological displacement of laborers by machinery has caused untold misery and has resulted in the amassing of great wealth for the favored few.

Verily, we must agree with Robert Burns when he says, "Man's inhumanity to man makes countless thousands mourn."

Never more shall we permit, and you, the future leaders of the country must help in this regard, a Carnegie, or a Frick, or a Rockefeller, to selfishly and greedily acquire their millions through the sufferings of countless individuals. Theirs was selfishness on a grade scale. The Carnegie libraries cannot wipe out the stigma. The Rockefeller benefactions cannot make amends for the havoc wrought. It reminds one of a man condemned for the murder of his mother and father and who asks for clemency on the ground that he is an orphan.

Mr. Wiggin, of the Chase National Bank, yielded to the smug ethics of the age of greed. We read that while with his right hand, in 1929, he was ostensibly stabilizing the stock market, with his left he was authorizing his private corporation to make millions by selling short the stock of his own bank. In the following years, when the salaries of his employees were being cut, and the equity of his stockholders depreciated, Mr. Wiggin accepted a princely salary from his bank. When he retired, rich in a land of suffering, he accepted, in spite of his poor management, an annual pension of \$100,000. An outraged nation forced him to let this go. Imagine, however, the brazen effrontery. That shall never happen again.

Never more shall you permit a Mitchell to escape payment of just income taxes by deceitful and self-serving means. Happily, Insull will soon be brought to book. Never more shall you permit a Clarence Dillon or a J. P. Morgan to speculate ruthlessly with other people's money. These men swept aside all honor and decency to satisfy their own cupidity. They ruled like the kings of old. Some of them have abdicated. A number yet remain. It is for you to cause their thrones to totter. It is well to recall what Roosevelt said in his inaugural address, concerning the practices of these unscrupulous men: "Money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men." Roosevelt has started to curb the money oligarchy of the Nation.

We must help him crush and destroy it utterly. We have passed banking-reform bills, bank-deposit guaranties, Federal securities acts, and have recently demonetized the dollar. Much remains to be accomplished in order to destroy this oligarchy and make the new deal a reality—to make the Nation less selfish and more selfless. We must license the New York Stock Exchange, the New York Curb Exchange, and all other commodity exchanges. We must prevent the operation of nefarious pools and predatory short selling and other objectionable practices, so as to put the last nail in the coffin of the wizards of high finance. A thoroughly aroused public opinion is necessary for this. We look to you—courageous, selfless, and thorough—to help in this fight.

Walter Lippmann recently stated: "There is no mistaking the conclusion that we are in the midst of one of the great revolutionary periods of history and that upon our generation and its successors the task is imposed of discovering and establishing a multitude of new relationships among the peoples of this planet."

We look to you, the future leaders of the race, to help us tide over this revolutionary period.

There is imposed upon you the duty of discovery and working out these new relationships.

We must help the Nation reaffirm the Golden Rule and reorganize our economic life on an equitable basis. We must redistribute supply to equal demand and espouse a social responsibility side by side with a healthy self-interest. Let there be a truce to greed. To you the Nation in part looks for leadership in the rescue, in the recovery, in the new deal.

MONEY AND THE CONTROL THEREOF

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PIERCE. Mr. Speaker, Will Rogers has said that there are two kinds of crazy people, those locked up in asylums and those still at large who think they have solved the money question. I have no desire to be included in the latter class. However, I cannot refrain from discussing this important question which is uppermost in the minds of those giving thought to our present economic difficulties. We, of the West, do have definite convictions on this subject. On behalf of the producing citizens of Oregon, whom I represent in this Congress, I feel it my privilege and duty to make a few observations upon money and the control thereof.

USE OF METAL AS MONEY

Centuries upon centuries ago, when our ancestors were taking their first steps in civilization, all trading or exchange of property must have been by barter: a cow exchanged for a horse, a sheep for a piece of woven goods. Slowly, but surely, our ancestors came to recognize various different articles as mediums of exchange between different commodities traded. Almost everything has been used for money: cattle, sheep, wampum, gold, silver, and iron.

Somewhere back in the mystic past, some enterprising chap commenced to use gold as the measurement for articles traded, those pieces of rock which he found in the river beds and the mountain ledges. We have today in our museums gold and silver coins out of Western Asia that were stamped fully 3,000 years ago. I do not believe that gold and silver were placed in the earth, by the ruler of the universe, for the sole purpose of being used as money by mankind. It just happened that way. These metals were scarce, hard to find, and limited in quantity. They could be easily divided, had a peculiar luster, and have been precious through all the ages. Stamps of the governments of the world give value to gold. It is the refusal of that stamp to silver that has caused its decline in value, when measured in gold. The so-called "intrinsic value" is a myth, a misnomer. We might say wheat has an intrinsic value, or value within itself, because it will sustain human life. Gold and silver will not so sustain life until exchanged for those things that a man must consume in order to live. The worship of gold and silver is a fetish from savage days. Humankind only slowly gives up traditions and ancient customs. For this generation, and perhaps for several generations yet to come, gold will continue to be the measuring stick in the world's trading centers: the article that will now, and probably for generations, continue to settle trade balances between nations.

All of the monetary gold in the world could be put into a 36-foot cube. It could all be put into the hold of an ocean-going ship, and then form only a part of the cargo. The total of all the gold in the world amounts to only about twelve billions, weighing about 24,000 tons. Suppose it were sunk in the middle of the Atlantic Ocean, and also all of the silver, would that mean the end of all things? I ask my gold friends to conceive a world in that condition. Does that mean the crops would not grow? No more grass? Would that cause trade to cease and civilization to break? What nonsense? But, to hear some of the money experts talk in this House, you would conclude at once that the rains would cease to fall, and the crops would fail to grow and ripen and men would revert to savagery if anything happened to the present money system. I cannot see nor find anything sacred or absolutely necessary in metallic money, still I recognize, as you must, that the gold ounce is today and has for centuries been the yardstick that measures value in the world trade centers. It is not the American dollar, the English sovereign, nor the French franc, but the gold ounce which is the world's yardstick.

Civilization has not advanced in a steady climb from the caves to the present wonderful, but really only half-bright day. The story of man tells us that highly civilized nations

have given way to advancing savage hordes. It would seem that, after all our marvelous achievements in the arts and in science, we ought to be able to devise some sensible medium of exchange, so people and nations could more easily exchange commodities without dependence on any metal. That advance certainly lies in the future.

MONEY AND CIVILIZATION

Many causes have been given by different historians as the reason for the fall of Rome in 476 A.D. Whether it was one cause or the combination of a dozen that brought that most famous civilization of the ancient world down to the dust need not be discussed, but one observation I would make today. I would recall to your minds that when the savage northern tribes overcame Rome and murdered her senators within their marble halls there was less than 10 percent of the amount of gold and silver in Rome than was there 400 years earlier in the days of the Caesars. The mines had failed to yield, trading had ceased, the Dark Ages had begun. Money, metallic money, had largely disappeared.

When the bold, hardy adventurers of western Europe discovered and distributed the immense accumulations of gold and silver from Mexico and Peru they increased the quantity of metallic money 20 times; they gave to the world a new impetus in trade which increased by leaps and bounds. Man shook off the lethargy of a thousand years, and a modern world was born amid a flood of gold and silver.

When Marshall discovered the yellow rocks in Sutter's millrace in California, in '49, he unknowingly gave the world a forward push into heretofore untrodden ways of greatness and conquest over nature.

Whenever you look through the dusty books and read of the doings of man you will find that, after a marked increase in the world's stock of gold and silver, conditions have vastly improved. For many years now gold and silver have not been coming from the mines in sufficient quantities to keep up with the demands. The arts and sciences constantly take a large percentage of the world's output, and there have been no new large recent discoveries like California, the Rand, and Klondike.

THE GOLD STANDARD

Two Nations, the United States and France, have two thirds of the world's known monetary gold. Every nation is freezing with a deathlike grip to the gold it controls. The United States possesses today the largest stock of gold ever accumulated at any time by any nation in human history. A few days ago I saw in New York tons of gold in bars and bags buried in the vaults of the Federal Reserve bank, 45 feet beneath the sea level. It is truly "sterilized", seemingly as useless as when buried in the mountain ledges. Almost 40 percent of the world's monetary supply of gold is in the United States.

Were we on the gold standard today, freely redeeming our currency in gold, our storehouse of yellow metal, more than 9,000 tons, would vanish like a morning mist before the July sun.

We did not retire from the gold standard voluntarily, we were forced off. Had not Roosevelt acted swiftly and firmly when he took the oath of office on the 4th of March 1933, all of the gold in the country would have disappeared into hiding places. The country had completely lost confidence. We had, at that time, almost \$58,000,000,000 of bank deposits, and most depositors wanted gold to bury in safety deposit boxes, ship to Europe, or hide in some old mattress. We then had, in metal money, less than 8 percent of the total of bank deposits which were, supposedly, payable in gold. We should pause to consider the startling position we were in so far as credit was concerned. The Nation's business, in its most prosperous period, was conducted through credit and not with metallic money. The great pyramid of credit on such a small money base was one of the causes of our financial break. In the future, we may see the same type of credit system built up without the necessity for a metal base—and, that, perhaps, is our distant goal.

I repeat, going off the gold basis was not a matter of choice, as our monetary system is now organized. It could not possibly have been avoided. We cannot return to the

single gold standard with our great volume of business. That kind of deflation would ruin those few solvent institutions and people still remaining. The adherents to the gold standard say we have simply lost confidence. Indeed, we have, and it is not going to be restored by further deflation. The fifty-eight billions we recently had in checking accounts in this country have been decreased about one third. The velocity of trade has been reduced more than one half.

QUANTITATIVE THEORY OF MONEY

By the "quantitative theory" we mean that commodity prices are regulated by the quantity of money. This theory is correct when all the factors are considered, namely, the gold, the silver, the currency in circulation, the substitutes for currency, like checking accounts and other credits, and also the velocity or speed of trading or turnover.

It requires no great amount of reasoning to prove to an unprejudiced mind that if the quantity of gold basic money were now doubled the prices of commodities would advance, unless hindered by an extraordinary surplus of any particular commodity. Cut the quantity of gold in half and prices would shrink. The same law holds good in money metal that all admit holds good in wheat. If the quantity of wheat were to shrink one half this year, then the price would rapidly advance. If the fields were to double their yield, then the price, when measured in gold, would shrink.

What we need today is gold coming from the mines in quantity and then a fair distribution thereof among nations and people. We cannot have world prosperity and world trade when the gold supply is hoarded by a few nations or a few people. What the United States, what the world needs is more money—more of the medium of exchange that can be used to promote trade and business. Higher prices for agricultural commodities must be brought about. It is this higher price for commodities in the world's markets that we need and must have. World prices, outside of national borders, are not affected by checking accounts nor by issues of currency. This has been proven beyond doubt in Russia and Germany. When those countries issued untold billions of marks and rubles, their issues of paper money did not in the least affect the prices of commodities in the world's markets, though startling changes took place internally. For instance, a colleague told me that his brother, farming the ancestral acres in Germany, had struggled for years under a mortgage of 15,000 marks. During the inflation period he paid off this mortgage by the sale of one fat heifer, but the heifer had no such unusual exchange value outside of Germany.

Prosperity through higher prices for agricultural commodities assumes a greater purchasing power among the employees of industry, and it assumes employment of all workers at decent living wages. Prosperity cannot come to one group or class. Where and when Government money is being freely spent in relief or public works, conditions have improved; but the disease that is eating at the very vitals of this Nation has not disappeared. Legislation of the Seventy-third Congress has been largely palliative. It is like rubbing a little salve on a desperately infected wound. We must not deceive ourselves by using the term "depression" and assuming that conditions will gradually return to the old status. This is not a temporary depression. It is a world crisis and a change to which we must adjust ourselves. It is shaking the very foundations of our economic life. We are fast drifting into general bankruptcy and financial chaos.

CONTROLLED EXPANSION OR REPUDIATION?

It is either cheaper money with higher wheat, corn, cattle, butter, or else repudiation of the mountain of debts of the individuals, municipalities, States, and nations. You, bondholders of the Atlantic border, who largely control legislation through your bankers, can take your choice between controlled expansion of the currency or repudiation. Three thousand municipalities, along with many States of this country, have defaulted on interest or principal, or rather find themselves unable to pay. What buyers of municipal securities could have realized a few short years ago that our

Congress would pass legislation regulating municipal bankruptcies?

Millions of farmers and business men are nearing the danger line of repudiation. The present situation is just a forecast of what the future has in store. Do not dream for one single minute that the danger has passed. It is estimated that there are today more than 10,000,000 unemployed. With their dependents, almost one third of the population is on charity, and not consuming normally.

THE OUNCE OF GOLD

I heard an eloquent Congressman from Texas say a few days ago in this House that the United States could safely issue \$15,000,000,000 additional currency and it would be sufficiently backed up by the required 40 percent of gold in the Federal Reserve bank and owned by the Government. If this currency were issued tomorrow and Government interest-bearing bonds to that amount retired, it would save annually nearly a half billion in interest, and internal business activity would take on new life. That currency would be better than the bonds because it would have the 40 percent gold backing. Both bonds and currency rest on the credit and vitality of this Government. However, that great issue of currency, while it would increase prices in this country and stimulate trade and be beneficial, would not raise the prices of exportable surpluses nor would the prices of wheat and wool in Liverpool advance; nor would the prices of shoes and other manufactured goods in South America be raised.

It is the world's commodity price level that must be advanced. It is futile to try to raise it by credit expansion.

I am told, on high authority, that one of the greatest disappointments to the officials of the Treasury Department is the fact that the deflation of the gold dollar to 59 cents has not noticeably affected commodity prices. The President himself made that admission a few days ago. Does anybody think in America today that France and England care how many grains of gold we call one dollar? Neither do we care how many grains of gold those countries put into their sovereigns and francs. The gold ounce is the yardstick in the world's marts of trade. Many people foolishly believe that cutting down the grains in the American dollar was equivalent to doubling the amount of gold. They lose sight of the fact that balances between nations are not settled by dollars and marks, but by weight of gold. The gold ounce is still the standard for measuring values and will still remain so, as far as we can now see, for generations.

Could the President have doubled the gold of the world prices would have moved up rapidly. He did improve conditions and stimulate mining by advancing the price of gold to \$35 an ounce, paid in American dollars.

The gold standard is of English origin. That country, being an industrial nation, wanted low prices for food and raw materials. When the gold standard depressed world prices, so much the better for England, which was a buyer. The world a few years ago had to have England's manufactured goods. Disraeli, the wise English statesman, said:

It is the greatest delusion of history to attribute the commercial preponderance and prosperity of England to the gold standard.

David Hume, historian, wrote:

It is certain that since the discovery of the mines in America silver has increased in all nations, which may be ascribed to the increase in gold and silver.

Queer as it may seem, with the present psychology of the world, we are all largely dependent upon the yields of gold and silver. Metal money still represents and measures value in the world's markets.

SILVER MONEY NECESSARY

What has so depressed world prices for commodities? Is it not primarily the shortage of gold, which is not sufficient to sustain the commercial and credit needs of the world? Secondly, the cause may be ascribed to the low price of silver when measured in gold. This prevents silver-using countries from buying products from gold-using countries. Silver has not fallen when measured by commodity prices, but gold has increased in value as a result of legislation. Laws can set in motion economic forces which affect values.

That is precisely what deliberate demonetization of silver has done in the United States. Gold and silver were freely coined at our mints from 1792 to 1873, for 81 years, at a ratio of 15 to 1, or 16 to 1. These ratios were used because the metals have come from the earth in about that proportion. By the term "ratio of 16 to 1" we mean that 1 ounce of gold has the same value or debt-paying ability as 16 ounces of silver. During the 81 years of bimetallism we had no such currency troubles as we have had during the last 60 years. The demonetization of silver was a deliberate act by the privileged and powerful classes to increase the values of their holdings.

There is no great amount of silver in the world. During the World War England had to have 200,000,000 ounces of silver for India. It could be obtained only in Washington from the United States Treasury. Silver is mainly produced as a byproduct. In 1920 it sold at \$1.38 per ounce. No great quantity came forth. It is now proposed to establish a value of \$1.29 an ounce, or 16 to 1, in relation to gold. Silver should be nationalized, the same as gold has been, thus vesting in the government the title to all monetary silver to be purchased at a price not exceeding 50 cents an ounce, curbing speculation and giving the profit to the Government.

Two thirds of the people of this world use silver as their basic money. On the Atlantic coast we rarely see a silver dollar; the prevailing small currency is a paper dollar, redeemable in one silver dollar, said to be deposited in the Treasury of the United States.

If an unlimited demand is created for an article at a certain price, any place in the world, that article will bring that price, less the cost of taking the article to that place.

I believe this Government should make all the profit honestly possible by reestablishing the double standard of money, or bimetallism; therefore, I think the Government should, at once, purchase all silver offered for sale and continue buying until the ratio with gold is 16 to 1. When the price of silver reaches that ratio, then freely offer to coin, or deposit in the Treasury, all gold and silver offered. If deposited, then issue paper currency against the deposit and give it to those who bring the metals to the mints. By "free coinage" is meant that there should be no limit on the amount that may be brought to the mints for coinage. Why should the Government buy either gold or silver after the ratio is established? Open the mints as they were open from 1792 to 1873 to all owners of gold and silver to have the metals tested for weight and fineness. By such action world commodity prices would advance at once. Millions would find jobs at living wages.

PAPER CURRENCY

I hold in my hand a \$5 bill, issued by the Federal Reserve Bank in New York. It was issued, it says, in the series of 1929, and it is stated on the face that it is "national currency secured by United States bonds deposited with the Treasury of the United States of America"; and then, in smaller type, "or by like deposits of other securities." What does that mean? If it means anything, it means that back of this \$5 bill are \$5 worth of bonds issued or debts incurred by the United States, or "other securities." I wonder if "other securities" could possibly mean bonds from busted South American countries? "Other securities"—and that is what it says on the face of the \$5 bill—might mean any sort of cats and dogs. Still this \$5 bill floats freely in the Capital of the Nation. With millions of this kind of money floating in the land, no one has the right to yell his head off about printing-press money. We have it today, but not in sufficient quantities and not sufficiently evenly distributed to give us the prosperity we should have.

How clearly the curious use of money is illustrated by the story, current last year, of a stranger who deposited a \$100 bill with the clerk of a hotel. The clerk paid it out on a butcher bill. It traveled around the town paying "butcher, baker, and candlestick maker" all day and was returned to the hotel at night for payment of a bill. The stranger that night asked for his \$100 bill and luckily for the clerk it was in the cash drawer when called for. The stranger then

calmly lit his cigar with the money, remarking to the astonished clerk that it was just counterfeit. It had, however, paid several debts during the day. What is money? What is value?

BIMETALLISM

The Government is now paying in Government interest-bearing bonds \$35 an ounce for gold. Why? That gold is simply buried in the vaults, perhaps 45 feet beneath the ocean wave. No reason on earth except fear. The bankers fear they cannot retain their great privileges should we keep our mints open to the free coinage of gold and silver at the ratio of 16 to 1. For convenience of users, the gold and silver is stored in vaults, and currency issued against it. Why not give the currency to those who bring the metals? You wonder, perhaps, why it is not done? I think it is because those who control affairs here, I mean the banking group of the Atlantic border, fear that they would not then control the medium of exchange as they do now, and by controlling that medium of exchange they control the fate of the world.

Where is the gold now? If you have any gold in your possession you are breaking the law. If you dare to ship any out of the United States the strong arm of the Government will take hold of you at once. Do not forget that, with free coinage, there will be no cheaper money. An unlimited market at a fixed ratio will prevent fluctuation in value. I cannot agree with those who want to buy silver and issue currency against it, and then redeem the currency so issued at the bullion price of silver as measured in gold. As I said at the beginning of this address, there is no good, sound, sensible reason why the price of wheat, wool, and cattle in Oregon should be influenced by the quantity of the gold and silver that yearly comes from the earth. However, we should never forget that the love of the metals has been for generations ground into our very natures. Human nature cannot be changed in a minute. We have to deal with fixed traditions of mankind. I firmly believe the time will come when the metal base for currency will be abandoned. Silver is the only instrument available, other than gold, to which legal fiat can be applied, as it is to gold.

A large increase of metallic reserves is essential as long as we live under our present psychology. China, India, and the United States have together two thirds of all the silver used as money.

GOLD AND SILVER BOTH NECESSARY

There should be no dispute between the gold men and silver men. Gold men should welcome us, those who believe in restoring silver, the bimetalists, to help in the fight against unlimited paper expansion. The paper standard is new. During most of the world's history we have had only gold and silver as the medium of exchange.

Opening our mints to free coinage of silver means doubling the metal money of the world at once; it will have the same effect as if there could be found and thrown into circulation 24,000 tons of gold. Free coinage of silver will not prove a panacea for all the dangers that hang over our civilization but it will double the metal base of the world, and will materially increase the price level of the world's commodities. It will insure the payment of many an obligation that is sure to be repudiated under present conditions.

I hear someone refer to "Gresham's law", that old English statement that cheaper money will drive out at once the dearer money. They fear gold will disappear and we will be on a silver base. Too bad. What are we on now? A fiat base, the credit of the Government, that is all. We refuse to redeem in gold. It is a crime to have gold in your possession to the amount of \$100.

In this House we hear much about sound money. Our President, in defining this term, said, "A dollar which will not change its purchasing and debt-paying power during the succeeding generations." How are we going to establish such a yardstick? What the President means is a yardstick stable in the terms of goods and acceptable in the world's trade. Gold is the safest store of value ever known. It is not, however, and never has been, stable in terms of goods.

TRADING WITH SILVER NATIONS

In the Pacific Northwest we raise a large quantity of wheat that must be exported. Its former market was northwest Europe, where for half a century or more it found a ready sale. The prosperity of our beautiful country rests upon the number of ounces of gold which can be obtained for a cargo of that wheat in Liverpool. Full well do we know that this Government cannot continue through a long series of years to bolster the price of wheat by the so-called "voluntary allotment plan" and by shipping the surplus out of our country at a governmental financial loss of millions. What will bring prosperity to my State is for a cargo of wheat to sell in Liverpool for double the number of ounces of gold that it does now. That end can be reached by increasing the quantity of metal money. If the export surplus wheat cannot be traded for gold, if the mines refuse to yield fast enough, and scientists have not yet learned to extract it from the ocean, then let us add silver to the gold, thereby doubling the quantity of metal money.

But I hear someone say silver is not equal to gold. Surely it is not. But it will answer the same use and the same purpose and the relation or ratio is easily established. Make it possible for the man selling that cargo of Oregon wheat in Liverpool to take in exchange a certain number of ounces of either silver or gold. The exporter can bring those ounces of precious metal back to the United States, where they will be interchangeable at a fixed ratio. That will bring prosperity to the State of my adoption, which I am honored to represent on this floor. Our Western Conference of Governors has officially taken the stand for silver. Congress does have under the Constitution the right to "coin money and regulate the value thereof." That power should not be delegated to any man or group of men. We could by legislative act rule that 5 grains of gold will be \$1. It will not affect the Liverpool price of wheat any more than the President's Executive order affected that price when he fixed the dollar at 59.06 cents.

The Dies bill, which passed the House, is not a money bill. It is an agricultural bill. It will aid the farmer to find a market for the exportable surplus by making it possible for the foreign purchasers to pay in silver at a value of 25 percent over the world price of that metal. Then that bullion silver may be deposited with the United States Treasury and paper currency issued against it at a value of \$1.29 an ounce.

Inflation is the bugaboo that scares so many. When I was a small boy, many preachers thought it necessary to keep before the people the horrors of hell in order to make them behave. So are our banker friends constantly reminding us of their insurance policies and what might happen to them, saying "They will not buy so much in the days of higher prices; insurance policies will not be as valuable." Inflation is warned against as the darkest pit into which we could possibly fall.

FEAR OF INFLATION

No other argument is more frequently used, on this floor, against silver than this one. "If you decrease the value of money, how about the wage earner? What about the investments and income of the great foundations and of the bond holder? His real income will be cut down as much as your income is increased", they say. Then students often say to me, "Inflation will not help your kind. You will get more for your wheat and cattle, but everything you buy will be correspondingly higher." They all forget that interest and taxes, debts, are large items. They will not advance because of more money. Taxes may, after a time. Before then, the bond clipper and wage earner and insurance policy holder are sure to have lost all they have had. The way we are now going, repudiation and bankruptcy stare us in the face. It is either a higher price level or a disaster ahead which will be far worse than anything we have yet seen.

In the home of an official in Washington I was recently shown a piece of German currency of the inflation period. It called for a billion marks. My brilliant friend said, "That is just what you are trying to bring on in this country, Governor." No intelligent and honest man believes in un-

controlled inflation. It is only an extremely small percent of our citizens who would willingly endanger or embarrass the Government in that manner. Well do we know today that Germany deliberately and intentionally made her marks valueless by issuing billions which she never intended to redeem or pay. Millions upon millions of dollars were taken out of the United States for German marks sold here, and then deliberately Germany made that currency valueless.

We are often reminded that Lincoln issued greenbacks in the time of the Civil War. He did, to the amount of almost half a billion. In no other way could he have paid the soldiers. The Southern Confederacy issued greenbacks and thereby prolonged the war. They could not pay their soldiers in gold or silver because it was not in the land. There was nothing to do but to use their credit. Of course, their greenbacks could not be redeemed, any more than all of the debts that were accumulated in the boom period of 1929 can be paid.

We often hear the expression "not worth a continental", having reference to the old continental money issued by the revolutionary fathers in the most trying days of the revolution. The issue of that money made possible the success of the American Revolution.

OWNERSHIP OF SILVER

Bimetallists have recently been falsely accused by some Government officials and part of the press of attempting to make profit out of free silver. Bimetallism is a religion with many of the men who have been students of the history of money for years. There is scarcely a bimetalist in our land who owns or controls any quantity of silver. The only gain we seek is our part of the general prosperity that we know is sure to follow. Pass the Wheeler bill, introduced by Senator WHEELER, of Montana, S. 70, and business would take on new life, as it did when tons of gold and silver came out of Mexico and Peru. It will have the same effect as great discoveries of gold and silver have had since the dawn of history.

America is today a creditor nation of the world. Very reluctantly do we import; we desire to export in great quantity. We apparently feel that we can no longer lend money to nations and people who have so brazenly repudiated their debts. We thus occupy an impossible position. If we refuse to buy goods, how are nations to buy from us? To retreat from the world's markets is exceedingly dangerous.

THE REMEDY

I am not so foolish as to believe that all our ills can be cured by opening our mints to the free coinage of silver. While I believe that the manipulation of money has been largely the cause of our trouble, I recognize that the coming of the machines has had very much to do with the break by adding many millions to the bread lines. If you wonder what has become of our money and credit, take a trip over Washington and see the unending lines of cars, automobiles of all kinds, and then think this is only one city out of hundreds. The internal-combustion engine, the trucks, the tractors, the automobiles, and the busses have had very much to do in bringing the country to financial ruin. We cannot now give up the machinery. It is here to stay. We must adjust ourselves to its use. Machinery has been a tremendous factor in piling up the wealth of the country into a few hands.

Before there can be any revival of prosperity there must be a general redistribution of wealth by income and inheritance taxes, so all may live in decency. Our tax system must be readjusted under a plan of ability to pay, and, above all things, interest or rental on the use of money must be brought down to a just and reasonable amount, not greater than the annual increase of wealth, about 2 percent.

Ruined by greed and privilege with its attendant political corruption, we seek relief from unbearable conditions. We have experimented for over 4 years. A remedy lies at hand, a remedy that we can use, a remedy that conforms to tradition, a remedy that conforms to history, a remedy that can be easily understood, and that is the free and unlimited coinage of silver by the United States at a ratio of not greater in debt-paying power than 16 to 1.

RECKLESS, UNTRUTHFUL PUBLIC STATEMENTS BY ASPIRANTS FOR CONGRESS ARE ANSWERED BRIEFLY BECAUSE THE PUBLIC SHOULD KNOW THE TRUE RECORD

Mr. FREAR. Mr. Speaker, I ask unanimous consent to speak on a matter of personal privilege.

The SPEAKER. Is there objection?

There was no objection.

Mr. FREAR. I am entitled to an hour as a matter of personal privilege, but will take only a limited time to discuss a matter that may affect any Member. In all the time I have been a Member of the House, I have never had occasion to rise to a question of personal privilege to reply to statements made back in my State which are dishonest and unfair in regard to any record vote cast by me in the House. I voted against the Philippine oil proposition on the tax bill in committee and in the House, and, as the gentleman from Nebraska [Mr. SHALLENBERGER], who offered the amendment, and the gentleman from North Carolina [Mr. DOUGHTON], chairman, and every member of the committee knows, I took active part in that debate. It has been said in my district, a dairy district, by ignorant or unscrupulous speakers, that I supported the Philippine oil proposition, and it has been published in a number of newspapers down as far as Madison, the State capital, where I was defended by the press. That attracted my attention to the canard.

Mr. Speaker, I rarely respond to unjust and unprovoked attacks from candidates looking for the office I hold. In such cases the purpose and animus by rival candidates is so well known that constituents are expected to measure political promises, pledges, and criticisms at their true value. For that reason I have made no answer or rejoinder to false statements of such candidates ordinarily deserving reply, but a leading editorial justly criticizing one of these political critics causes me to insert in the RECORD a letter of thanks received and a brief correction of repeated false statements made by this same critic. It is included in a letter of reply I sent the editor who kindly defended me from the false charge:

WASHINGTON, D.C., May 17, 1934.

HON. WILLIAM T. EVJUE,

Publisher Capital Times, Madison, Wis.

DEAR MR. EVJUE: Thanks for vigorous defense of my record in the leading Times editorial of the 14th instant, with your exposé of record of Assemblyman Donley, an announced Democratic candidate for Congress.

The absurdity of his charges as to my record on Philippine coconut oil is in its misstatement of fact inexcusable under the circumstances. Every Member of Congress knows that I supported Governor SHALLENBERGER's oil-tax amendment in our committee to keep out hundreds of millions of pounds of imported oils and other substitutes that affected the dairymen of Wisconsin and other States. Congressman SHALLENBERGER is a Democratic leader of the House, with a Nation-wide reputation for honesty and ability, and when he heard of false statements made by Mr. Donley through the press as to my votes and record, he sent me the following letter, which speaks for itself:

"DEAR CONGRESSMAN FREAR: I wish to thank you on behalf of every dairy farmer in this country for your support in our committee and the House of my amendment shutting out foreign oils, now reaching over 600,000,000 pounds annually. Every vote you cast was against these oil imports and for the farmer.

"Sincerely yours,

"A. C. SHALLENBERGER."

Chairman DOUGHTON, of the Ways and Means Committee, just reminded me he would also say that every member of the committee knew of my active support of the Shallenberger amendment as well as of the tax bill.

Leading farm representatives write me in reference to Mr. Donley, a candidate and critic, saying that three Farmer Union county conventions in the district invited him to come and defend his assembly record of violation of promises to farmers, but that he refused to appear. Possibly more important, the Assembly Journal of January 23, 1934, discloses that this same Donley voted against Resolution 64 A, memorializing Congress to give the American people a right to vote on war before Congress declares war. That right, which he opposed, would prevent needless wars. I make no charges and rarely indulge in personalities in campaigns or at other times. If false in one case, it should discredit this witness thereafter.

I thank you, first, for exposing the record of this critic and, second, to say his criticisms were both untrue and without possible excuse.

Sincerely,

JAMES A. FREAR.

Mr. Speaker, every man has a right to be a candidate for any office. No criticism has ever been made by me of anyone from that fact. Many candidates seek to disparage any official whom they wish to succeed. That is their only method of campaigning and practice, ordinarily condemned by every reasonable, thinking person. Records and responsibility, not abuse, is the test of qualifications by which candidates should be measured.

I have no purpose to enter into a bitter campaign for the honorable place I hold, because my record is well known and constituents do not need to be told. Regular endorsement by relections indicates conscientious performance of duties has been given. If other candidates believe differently, the people, who are not easily misled, always decide the issue.

Those who have known my record as assemblyman, State senator, secretary of state, and Representative will not believe the barrage of falsehoods and misstatements which are beginning to appear from men who desire to hold the position I now occupy.

From the days when I pressed for passage the first State-wide primary bill in Wisconsin to the long list of Federal laws since passed the work has been constructive and valuable to the people. Representing agriculture consistently, I have ever sought correctly to represent and give helpful advice and legislation to dairy farmers, to labor, and all others I represent.

Forward progressive laws urged by the President for like reason have been supported. No political differences in Congress are to be found in such service. Frequent conferences here by men before the general relief commissions, together with letters, telegrams of advice to every county on drought, floods, and general-relief measures, have been sent to save delay and needless suffering.

Mr. Speaker, I am grateful for generous words received in the past and offer this brief statement to say that no act or purpose, to my knowledge, has ever run counter to the progressive legislative work we are advancing necessary to aid a distressed public.

Without control of any press or news publications, but through courtesy of a few papers, I have endeavored to keep constituents advised of congressional proceedings from the standpoint of a participant and not from that of critics who may be prejudiced because of their own candidacies.

Because of heavy printing expense, I am not sending speeches made on a variety of subjects of public welfare in the House, but include herewith a statement prepared by others cognizant of the facts affecting several measures sent to a limited number to explain the status of the Frazier bill, in which many thousands are interested; it also gives information on other matters of importance.

In answer to inquiries as to the status of the Farmers' Union Frazier bill, that primarily seeks to grant needed relief to farm debtors, and other queries, this brief statement is made:

Of 145 names required to sign Congressman LEMKE's petition to discharge the committee from control of the Frazier bill, 12 names were withdrawn by request of Democratic leaders, according to Mr. LEMKE. If passed by the House, he says it will pass the Senate, and assurances given him were that the President would sign the bill. I was one of the early signers and supporters of the Frazier bill back in 1932. A friend of both Senator FRAZIER and Congressman LEMKE, I know of its great need. I quote from the statement so prepared by others:

Approval of Congressman FREAR's record is found in strong letters. Senator FRAZIER said under date of June 23, 1932: "You have proven yourself a real representative of the people. I especially appreciate your fight in behalf of the farmers and labor. You are to be congratulated on your success in helping to defeat the sales tax, which was so strongly advocated by the great financial interests; also by the fearless fight you have made toward reducing Federal expenditures in general. * * * The progressive voters of your State and Nation appreciate the good work you have done. Wishing you success in your coming primary and election, I am,

"Yours truly,

"LYNN J. FRAZIER."

(Author of Frazier bill.)

John A. Simpson, former president of the National Farmers Union, June 11, 1932, writes, "Dear Mr. FREAR: As the end of this

session of Congress approaches, I want to thank you for the assistance you have given the measures introduced in the House and endorsed by the National Farmers Union. I have watched your record in Congress for nearly 20 years. I assure you that I approve of practically every position that you have taken on public questions, including war times, during that 20 years. I sincerely hope you will be successful in your campaigns, both in the primaries and general election, and thus the farmers have your services in Congress another 2 years. Yours very truly, John A. Simpson, president."

These two leading friends of the American farmer helped roll up 36,000 votes for your Congressman over that cast for President Hoover last election because of allegiance to the farmers and workers of our State.

Assistant Secretary of Labor McGrady writes: "While the press has stated that Congressman FREAR, of Wisconsin, has saved the people more than \$500,000,000 during recent years, I feel this estimate is conservative. Your efforts in behalf of the people of the country have well merited the title of 'All-American Congressman', and I sincerely trust sometime I will have opportunity of telling the people of Wisconsin of your devotion in behalf of the workers of the United States. Sincerely yours, Edward F. McGrady, Assistant Secretary of Labor."

Federal Indian Commissioner Collier writes: "Since 1926 Congressman FREAR has been the best and most effective friend of the Indians in Congress. No man in or out of Congress has done as much for them."

Governor Pinchot (Pennsylvania), Cleveland speech, April 2, 1932: "Congressman FREAR is one of the ablest fighters for the square deal and one of the boldest and most persistent."

"Dear colleague, you are not afraid to fight, and you know how to fight. You were a vital factor in saving the Government close to \$500,000,000. I know how important and valuable your aid was, and so did President Coolidge." (W. F. Kopp, former chairman Labor Committee, Feb. 17, 1933.)

"I know what a brave and single-handed fight you made for years for justice for the Indians." (Harold L. Ickes, Secretary of the Interior, Apr. 22, 1933.)

"Mr. President, the sales tax was practically defeated in the House largely under the leadership of a Member of Congress from Wisconsin, Representative FREAR." (Senator La Follette, Sr., in Senate debate.)

"I congratulate you progressives * * * There was removed from the Ways and Means Committee (later returned) Mr. FREAR, the biggest and bravest of them all. You dared not face in committee * * * or on this floor the arguments he could present." (Record of debate, Dec. 16, 1925, Mr. RAINY (now Speaker of the House).)

United States Senator NYE won a great victory in the Senate to investigate activities of war-munition makers and paid high compliment to your Congressman when he introduced Mr. FREAR's resolution on right to vote by the people before any foreign war is declared, thus insuring its consideration by the Senate. John Simpson wrote, February 4, shortly before his death, "I heartily approve of your letter to the President, calling his attention to the resolution you had introduced on war." Senator CAPPER, farm publisher, wrote, "Your address is the strongest argument in favor of this step (a war vote by the people) I have ever read." Governor Scheideman, Wisconsin, writes, "I am in full accord with the war resolution that you introduced in Congress." Jane Addams, a world-peace leader, writes, "Congratulations on the fine position you have taken on war."

Mr. Speaker, I do not claim to deserve all these good words, but they seem useful in combating criticisms that come from candidate critics. As stated at the outset I do not ordinarily pay attention to false statements of candidates made for the purpose of advancing their candidacy for office, but no man of intelligence can believe the many letters from which the above are quoted would be given to one entirely undeserving.

Men high in the American Congress and in public life rarely give voice to tributes I have quoted. If again a candidate, which is for the future to determine, it would be based on the faith that constituents are not easily misled nor affected by party lines when determining records and performance of their officials in positions of public trust. This is not affected by unfulfilled promises nor by claims of performances not vouched for by any man of public prominence. No one man materially changes the activities of Congress. To serve one's constituents faithfully and honestly is a record, however, well having. That is vouched for by a group of strong voluntary tributes quoted by those who know the record.

Members of Congress are flooded with petitions, resolutions, and correspondence on every conceivable subject, including hundreds—yes, thousands—of bills and resolutions out of more than 20,000 introduced. Sometimes these communications come from organized propaganda and often

are inspired by proponents of a particular bill. A few days ago I received one petition signed by 300 names or more urging support of a bill affecting the long-and-short railway haul. It has always had my support, but with committee and subcommittee hearings and other legislative duties I was in a quandary how to reach the petitioners. The signed pages were soiled and begrimed by hands that work. They came from the railway-car shops in my home city. They came from men who had known me since the days when as a boy I worked in the car shops. Men who were anxious to have their townsmen and Representative know their wishes. For that reason I use this means of advising them that my views are the same as theirs on the bill and always have been.

Mr. Speaker, may I be pardoned for recalling an incident of long ago, when as a youth with a similar soiled petition of several hundred names I stood in the Governor's office at Madison asking that "soil" be overlooked because every name was that of a workingman, and often close, personal friend. The petition asked for my appointment to fill a vacancy as district attorney of the county, and I well remember the response that such "soil" gave assurance they were good citizens as well as hard workers. Whatever the argument by petitions, about equally balanced in names, endorsing two candidates, the Governor gave me the appointment. He, too, had worked with his hands and knew the value of my endorsement.

From that service as district attorney it proved a stepping stone to the State assembly, State senate, secretary of state, and Congress, and throughout the years those friends in the original petitions, succeeded by others, were among supporters who welcomed me home each year. It may add interest to know that that Governor Upham, long retired, called on me in Washington with Major General Dunwoody, under whom I had served when Dunwoody was a lieutenant in the Signal Corps of the Army. Both were veteran soldiers and men who honored the uniform they wore.

I have always been grateful for these first petitions from railway boys and the friendship they evidenced. In the shifting course of politics it was hard for some of the friends always to evidence their loyalty by their votes but no finer, stronger, or better citizens ever lived, and when "dressed up" last fall at a reunion of railway employees held in my home city, I challenge any audience to present a better or finer appearance than the shopmen.

Railway employees have never had cause to question my record because long ago I was one of them and acquainted with conditions without argument because also based on personal experience.

When the Frazier bill was urged I supported it because I knew that indebtedness and taxes are among the farmers' greatest burdens and worries. It is hard indeed to make those without personal experience understand the necessity for a reduction of both interest rates and taxes before farmers of the North can recover from their present distress. Their tariff protection is threatened by changing currency values, and many other troubles, like drought and milksheds, disturb them which cannot be reached by legislation. Some of these I have helped meet by securing aid from the national relief agencies through Mr. Hopkins.

Nine of the 10 Congressmen from Wisconsin have signed a petition to discharge the committee having custody of the Frazier bill and thus give the House and later the Senate a chance to vote directly on the bill. Senator Frazier believes the bill can be passed by the Senate if first passed by the House, but until opposition is withdrawn it is impossible for all the delegations from the Northwest combined to drive it through the Senate. We are for it because it is just and right in principle.

In conclusion, I submit a commending brief editorial on an accompanying communication furnished the magazine the Living Church at its request, that reaches a subject close to the heart of practically every citizen, because when war comes every home is affected.

The present unprecedented depression and great suffering in the world at large and among our own people is a legiti-

mate result of the last war. For that reason I trust the extract, one of many I have discussed in and out of Congress, may be of interest.

[From the Living Church (Episcopal), Milwaukee, Wis., issue of May 12, 1934]

WHO WANTS WAR?

By JAMES A. FREAR

(How many foreign wars would we have if (1) the people could vote on them and (2) profiteering could be eliminated? At least one Congressman believes these steps can and should be taken, and he discusses in this article a constitutional amendment he has proposed to that end.)

Not 1 percent of our people on the average want war and not 2 percent of our young manhood would volunteer for foreign war service if called upon today. How, then, does war come?

The following resolution, one of several I have introduced in Congress during recent years, may give answer to potent influences responsible for fomenting recent wars throughout the world. National ambitions, century-old hatred, and other influences are always found, but other active agencies in a large part explain the query, "Who wants war?" Appeals to patriotism, national defense, and kindred efforts arouse the people to approve war and are ever urged on Congress after decision is reached by the leaders responsible for war. No truer words were ever uttered than those of President Roosevelt at the Wilson dinner last December when he declared wars are not made by peoples but by leaders. A powerful and largely controlling influence for war is set forth in the recitals preceding the proposed amendment to the Constitution I have introduced during the present session which reads as follows:

"Whereas House Joint Resolution 218—to grant a pre-war plebiscite to the people, and for other purposes—was heard by the Judiciary Subcommittee, at which hearing the following responsible statement was made by witnesses:

"The world today is spending something over \$7,000,000,000 on armaments, in preparation for war, every year. * * * President Wilson, General Smuts, Lloyd George, and others who were closely associated with the drafting of the Covenant of the League had become tremendously impressed during the closing days of the great war in the very close connection between armament manufacturers and the governments of the countries in which those factories lay. This committee went into the question, and in 1921 brought in their report. Their conclusions were:

"1. That armament firms have been active in fomenting war scares and in persuading their own countries to adopt warlike policies and to increase their armaments.

"2. That armament firms have attempted to bribe government officials both at home and abroad.

"3. That armament firms have disseminated false reports concerning the military and naval programs of various countries in order to stimulate armament expenditures.

"4. That armament firms have sought to influence public opinion through the control of newspapers in their own and foreign countries"; and

"Whereas statements recently made to the United States Senate by Senators in debate tend to confirm such powers alleged to be exercised by munition makers; and

"Whereas request was made by the Judiciary Committee members at the hearing that, to enable the Government to meet its national defense plan, an amendment should properly be offered to the resolution under consideration: Therefore be it

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as a part of the Constitution when ratified by the legislatures of three fourths of the several States:

"ARTICLE —

"Congress shall have power to declare war only after the proposition shall have been submitted by the President to the several States and a majority of the States, at general or special elections called by the Governors thereof, within 30 days or on a day fixed by the President, shall have approved the same. This amendment shall not be construed to prevent the President from using the Army and Navy to suppress insurrections and to repel invasions.

"Whenever in his judgment war is imminent, the President shall conscript and take over for use by the Government all the public and private war properties, yards, factories, and supplies, together with men and employees necessary for their operation. No interest or profit shall be returned for use thereof by the Government to private parties in excess of 4 percent per annum, to be based upon tax values assessed the preceding year by the municipality in which the property is situated.

"The right of the people to be secure in their persons except as herein provided shall not be violated by conscription or forced military service, but, when public safety demands, Congress may provide for forced military service on the North American Continent and in no other place."

Recitals are no part of a constitutional amendment but set forth the reasons for its support. Prior to the Spanish-American and World Wars, no clearly defined responsibility for such wars was found. Destruction of the *Maine* was loosely charged to the Spanish Government on one hand, and false propaganda of fright-

ful brutalities, sinking of Americans, national insults, and appeals to war fostered by profiteering munition and other financial interests swept Congress into the World War.

It is now known that recent wars have been fomented by those who profit from war. A brief recital of findings by a war commission as set forth in the foregoing resolution furnishes explanation for many wars throughout the world that have been instigated by manufacturers of war supplies. The March number of Fortune magazine, read on the floor of the Senate, contained many pages relating to munition makers in practically every large country. Their tremendous war profits were made through material furnished to friend and foe alike for blood money.

FALSE PROPAGANDA PRECIPITATES WARS

Unfounded and purposely false war propaganda precipitated this Government into recent wars. Appeals to mob psychology through the press and other propaganda pressed on Congress brought declarations of war. Not 10 percent of our people, it was stated in debates, would have voted for recent foreign wars nor would 5 percent of the 4,000,000 American youth conscripted for war have volunteered for foreign service. War propaganda knows to the full a mob psychology that reaches alike from layman to the clergy. It causes men to see red and lose all reasoning power.

When in passion the individual kills. When uncontrolled rage occurs, Congress legalizes wholesale killing by war. Fear to refuse is as potent as desire to yield. The propagandist knows this and plays on emotions and prejudices to get results. Men are boys grown older, and brass buttons, gold braid, guns, and swords appeal to nonthinking people, including youth, but machine guns, poison gas, bombs, armed tanks have relegated all these to the rear and entire companies with regiments are as easily wiped out as single individuals were killed by sharpshooters in olden days. Yet war glories will be depicted when again war propaganda fires the imagination. Trench life, war horrors, sickness, death, and lethal results endangering civilization are all concealed by the leaders who decide.

Shall we confess our failure as a Government to meet the hopes and plans for this great democracy? Lawyers split hairs when interpreting the Constitution and its purposes. That task is left for others, subject to one brief observation I would make on wars. When our forefathers framed our bill of human rights, they declared life, liberty, and the pursuit of happiness their goal. In every other land they saw the reigning sovereigns decide when wars should come, so they wrote specifically that Congress acting as representatives of the people, and not the President should have the war power.

During those days colonists were widely scattered, and it was impossible to get quick information or knowledge of world affairs until after long delay; in fact, the greatest battle of our second war was bitterly fought without either side knowing that a peace treaty had already been signed.

Recent history discloses that, contrary to the Constitution and its framers, every foreign war from the Mexican to the Spanish-American and European has followed a President's mandate to Congress. Even reelection of Presidents because against war have proved futile to prevent war.

Probably 99 percent of our people, the vast majority of whom want peace, are better informed on world events today than were any of the war leaders of a century ago, yet those who fight and pay are given no voice in the decision. They make Presidents, courts, and Congresses, but are helpless to preserve their own guaranteed rights of individual and national life.

PRESIDENT ROOSEVELT TRULY SAYS LEADERS, NOT PEOPLES, PROVOKE WARS

Congress and Presidents unitedly legislate, yet in protecting constitutional rights the courts without hesitation reverse unconstitutional law. A declaration of war once made cannot be reached by the courts. That power, if exercised, rightly belongs to the people to act in time and not to Congress, which latter body under modern custom capitulates to a President, and the President, following the example of kings of old, in his turn may be war minded or misled by a deluge of false propaganda. Truly Roosevelt says leaders, not peoples, provoke war. So let the people first speak and there will be few if any wars. The people can make Congress grant such rights of a plebiscite, thus avoiding needless wars. Will they do so?

That situation threatens and in fact confronts us again when peaceful men like ex-Secretary of War Baker with many other war experts predict another European war soon to occur and that our Government inevitably will join in that war. Not until the leaders so determine will our allies' names be definitely known to our own people who are expected to do the fighting. It is that preposterous situation I have sought to meet by a simple Constitutional provision that the people who fight and pay shall first determine on venturing into another great war.

Bear in mind that Scandinavia, the Netherlands, Switzerland, Spain, and other countries at war's threshold refuse to join in century-old conflicts that regularly embroil Europe. It is significant that peaceful America, 3,000 miles distant, was thrown into the World War, and again war experts predict our inevitable entrance into the next. Washington warned against foreign entanglements. We disregarded that warning and the natural results followed.

What is the remedy when leaders, not peoples, determine war? World statistics recite that 116,000,000 Christians of all denominations are found in North America, and 455,000,000 in like classi-

fications live in Europe, yet with this tremendous influence for good in addition to millions of other beliefs and a vast army of others not church affiliated, we are unable to prevent wars. Praying to the same God for success at arms and glorying over victories that come to our arms, we show little superiority to the sensational metropolitan press that thrives on war, or those who profit through war plunder.

The same force argument that caused Cain to kill Abel has been exercised through the thousands of years that have elapsed. Nations indulge in that justification for legalized, organized killing, reaching countless millions, for war fatalities are not confined to battlefields, but encompass civilization throughout the world.

Following the World War there was promised a revolution in world sentiment against war. Its horrors were still with us. World disarmament, reduction of armaments, Leagues of Nations, World Courts, Kellogg Peace Pacts, and like peace movements were sincerely urged by peace advocates, only to face the acknowledged fact that, instead of a war to end wars, the last war and terms of settlement laid the foundation for future wars certain to come.

Fierce armament building is greater by far than ever before among European rivals and, sad to relate, Americans are among these builders. It is only one of the countless evidences of the war cyclone which threatens the world according to Baker, Hull, Simonds, and many others.

PERSONAL KNOWLEDGE OF SUBJECT DISCUSSED

My individual experience and views are unimportant in the discussion, but to explain briefly the reasons which may affect judgment I inject a personal word and say I have no pride in any family military record, although a direct ancestor was killed leading his company in the Revolution and others fought in practically every war thereafter. I have had personal experience of many years in military service of which 5 were years in the Regular Army, and a company offered for war service, with 11 years in the Wisconsin National Guard which with the Thirty-second Division experienced 13,000 casualties in the last war. This may have affected my judgment. A father and a son each served throughout the last two great wars as volunteers and the military company organized in my home town on my return from the Regular Army during the last war lost 88 men killed, or died in France, during the last war. More lives were lost by that company in one battle during the war than the entire American Navy suffered.

As a Member of the last war Congress, conscious of influences that forced us in, I have sought the only means to prevent, by an amendment to the Constitution that will grant the people the right to vote on war, to conscript war supplies when war is imminent, and refuse to conscript American boys for European wars. The President can place 20,000,000 men or more in the ranks to prevent invasion or insurrection, but only by enlistment of the church, women, and peace people who sometimes waste energies in fulminations against war will we prevent entrance into foreign wars.

Experience gives abundant proof of that fact. The average American would pledge every man and dollar in defending this country against invasion or insurrection, but in like manner oppose the Army staff's program of throwing millions of American youth into the next European or Asiatic country which our war leaders decide is to join us in another "war to end wars" or again "to make the world safe for democracy", now largely lost through many dictatorships. High-sounding purposes that catch the popular fancy will always be found, but war suffering means untold losses of life, and human misery.

In urging my resolution to permit the people to vote before any declaration of war is made by Congress, I know full well that Congress can be swept off its feet by terrific propaganda centered on men placed on naval committees and other points of war vantage to represent such interests.

That would be impossible to bring about if 30 days' deliberation was had by the American people prior to and through a plebiscite on war. Every nation is first interested in its own safety. Seizure of war supplies by the President when war is imminent will subdue war views of war profiteers, and knowledge that American boys cannot be conscripted for foreign wars will prevent cold-blooded, war-minded Army staff officers from unduly urging that means of decision. These are all human estimates that enter into the average war.

[From the Living Church, May 12, 1934]

A REFERENDUM ON WAR

Who, asks Congressman FREAR in an article written at our request and published in this issue of the Living Church, wants war? The question is certainly a pertinent one, because we hear war talk on every hand. One would think, from reading the daily papers, the secular periodicals, and even the religious press, that people all over the world are only awaiting a propitious moment to unleash the dogs of war.

But who actually wants war? President Roosevelt said recently that 90 percent of the people of the world want peace and are satisfied with their present national boundaries. Of the other 10 percent it is primarily a few leaders and those who stand to gain personally by the conduct of war who really want it; the rest are mostly victims of propaganda.

But that brings us back to Congressman FREAR's question and his answer to it. Mr. FREAR thinks it unlikely that, except in case of actual invasion or internal insurrection, the American people would of their own volition vote for war if the issue were placed

squarely before them. He therefore advocates a constitutional amendment making a Nation-wide referendum obligatory before this country could engage in a foreign war or send troops overseas for war purposes. At the same time he would limit war profits to 4 percent and thus eliminate the opportunity for private interests to gain by war. But the President is given full power to use the Army and Navy and even to conscript civilians if necessary to repel invasion or suppress insurrection.

A radical proposition, you say? Well, this is a democratic country, isn't it? Then why shouldn't the people be allowed to vote on the vital question of war versus peace? Congress can be swayed by propaganda and influenced by secret lobbies. It is harder to propagandize 120,000,000 free citizens in time of peace. Moreover, when we select a Senator or Representative on some other issue—prohibition or the tariff or what not—how do we know how he is going to vote on a war resolution? Will he represent his constituents fairly? Why shouldn't his constituents be able to speak for themselves on a question of such vital importance?

We think Mr. FREAR is on the right track. Perhaps his proposed amendment can be improved in some respects. But in its essentials we believe it to be a genuinely progressive piece of legislation, in the best sense of that hackneyed term.

It is John Citizen who risks his neck in war, John Citizen who loses his job by going away to war, John Citizen whose family is left to shift for itself in his absence, and John Citizen who pays for the war. Isn't it high time that we give John Citizen the right to say whether or not he wants war before we ask him to bear all of the burdens of it?

LEAVE TO ADDRESS THE HOUSE

Mr. HASTINGS. Mr. Speaker, a few days ago I was granted permission to address the House today. I ask unanimous consent to defer that privilege until Tuesday next.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent that the special order by which he was granted the right to address the House today be deferred until Tuesday next. Is there objection?

There was no objection.

COTTON, CATTLE, AND DAIRY PRODUCTS

Mr. BUCHANAN. Mr. Speaker, I call up House Joint Resolution 345, to provide funds to enable the Secretary of Agriculture to carry out the purposes of the acts approved April 21, 1934, and April 7, 1934, relating, respectively, to cotton and to cattle and dairy products, and for other purposes, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The SPEAKER. The gentleman from Texas calls up House Joint Resolution 345, which the Clerk will report.

The Clerk reported the title of the joint resolution.

The SPEAKER. The gentleman from Texas asks unanimous consent to consider the joint resolution in the House as in Committee of the Whole. Is there objection?

Mr. TABER. Mr. Speaker, I shall not object. This is a resolution that the House ought to be told about, and I assume that there will be no objection to the chairman of the committee and myself having reasonable time to explain it.

Mr. BUCHANAN. Mr. Speaker, I assume that the House will not be very strict in the matter of the extension of the 5-minute rule. If we consider this in the House as if in Committee of the Whole, it automatically comes under the 5-minute rule.

Mr. BLACK. Mr. Speaker, I reserve the right to object. I wonder if we cannot have an understanding now as to the time this resolution will take. We have a large District Calendar today, and I think we ought to make some arrangement right now in the House as to general debate.

Mr. BLANTON. But there is to be no general debate upon the resolution. It will be read under the 5-minute rule.

Mr. TABER. May I ask the gentleman from New York if he is disposed to object to an extension under the 5-minute rule, so that we may properly explain the resolution?

Mr. BLACK. No.

Mr. TABER. No one intends to filibuster and take up time.

Mr. BLACK. I know the gentlemen of the Committee on Appropriations will not filibuster, but I have my doubts about some of the other Members. If the Appropriations Committee will stand by and fight a filibuster, all right.

Mr. BLANTON. Mr. Speaker, I reserve the right to object. That is a rather impolitic remark for the Chairman of the Committee on Claims to make or for a member of the District Committee to make, because if any Member here objected to this present request and forced the consideration of the joint resolution into the Committee of the Whole House on the state of the Union, several hours could be taken up in general debate. A refusal to object to the present request shows a disposition not to take up time on this resolution, but to expedite it and transact business.

Mr. BLACK. Generally, Mr. Speaker, I take my parliamentary viewpoint from the gentleman from Texas [Mr. BLANTON], but not on this. However, I have no objection. I think the committee will be fair about it.

Mr. TABER. Mr. Speaker, I think we ought to have an opportunity to discuss the bill within reason, and I hope that the gentleman will not object to that sort of thing.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The Clerk will report the resolution.

Mr. TABER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TABER. Is the resolution being read now generally to be read later for amendment? What is the practice?

The SPEAKER. The resolution will be read now for amendment.

The Clerk read as follows:

*Resolved, etc., That to enable the Secretary of Agriculture to carry out the purposes of the act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934, there is hereby appropriated and made available, pursuant to the authorizations contained in the said act, the funds available for carrying into effect the provisions of the Agricultural Adjustment Act, as amended, which shall be available for administrative and other expenses, and in addition thereto, the proceeds derived from the tax levied under said act of April 21, 1934, are hereby appropriated and made available for the purposes for which appropriations are authorized to be made under the provisions of section 16 (c) of said act: *Provided*, That the Secretary of Agriculture shall transfer to the Treasury Department, and is authorized to transfer to other agencies out of funds hereby made available for carrying out said act of April 21, 1934, such sums as are required to carry out the provisions of said act, including administrative expenses and refunds of taxes.*

Mr. TABER. Mr. Speaker, I move to strike out the last word. I had hoped that the chairman of the committee would speak first, because I do not want to attempt to explain the resolution in general. There is an item in this paragraph which authorizes the employment of certain persons to do certain things under the Bankhead Cotton Act. I am not going to discuss that except to say that it calls for the employment of about 17,300 men and women, some of whom have been under employment of the A.A.A. The other part of the bill calls for employing 5,000 additional, a total for the bill of 22,300.

The rest of the bill relates to the cattle situation, and I want to talk on that subject for a few minutes. The cattle item is under the authorization of the bill which was passed here in March and April and became a law on April 7, authorizing an appropriation for the elimination of dairy and beef cattle to the extent of \$50,000,000, to enable the Secretary of Agriculture to get rid of diseased cattle, and to provide relief up to \$50,000,000 by buying dairy and beef products.

The estimate that has come in here is distributed in this fashion, as appears on page 52 of the hearings:

For disease control, \$24,000,000.

For the purchase and making available for distribution of dairy products for relief, \$25,000,000.

For the purchase and making available as beef for distribution of 2,000,000 head of cows for relief, both dairy and beef, at \$25 per head, \$50,000,000.

For benefit payments to producers cooperating in program to control production, \$44,000,000.

For the purchase and distribution of cattle from drought-stricken areas, at the discretion of the Secretary as necessary, and reserve for other purposes, \$6,000,000;

Total, \$150,000,000.

Frankly, I can go along on the proposition to get rid of the diseased cattle. I can go along on the proposition to purchase dairy products and that sort of thing, \$25,000,000, but I do not feel we should go into the proposition of a processing tax on cattle or on dairy products. If we go into a processing tax, which will raise \$100,000,000, in order to raise \$50,000,000 of it you would have to have a processing tax of approximately 2 cents a pound on butter fat. To raise \$50,000,000 more, you would have to have a processing tax of approximately 50 cents per 100 pounds upon cattle. That proposition, in my opinion, would hurt the producer. I do not believe it would help them a bit. When you have a surplus of any agricultural commodity and put a processing tax on it, it has been pretty well demonstrated by the wheat and hog situation that that processing tax comes out of the producer. It will put another burden on our farmer and make his lot a little worse.

I think that this proposition of buying cattle in the drought-stricken area is probably all right. I think it should be done. I think it should be done out of the funds that are provided for the relief; but I do not believe we should go to the point of having a processing tax on either cattle or dairy products. To my mind, we are getting further into that than we should go at this time.

The SPEAKER. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. TABER. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. TABER. I want to call attention to the fact that the Department, in coming before us, told us that they did not know what the processing tax would be; that it would run anywhere from \$14,000,000 to \$42,000,000, but, frankly, there is no definite commitment. There was a definite commitment when this bill was before the House that there would not be any such processing tax, and I do not believe—and frankly a lot of dairymen and a lot of cattle people do not believe—but what the Department would put enough processing tax on the dairy and cattle industry to raise the \$100,000,000.

Mr. GOSS. Will the gentleman yield?

Mr. TABER. I yield.

Mr. GOSS. How much loss would be assumed by the Government if they did not?

Mr. TABER. Oh, it will cost the Government the \$100,000,000 if we do not have a processing tax. There is no question about that.

Mr. GOSS. Might it not cost more than that?

Mr. TABER. Not by this bill. If you appropriate \$150,000,000, you will only lose \$150,000,000. It would all be included in that. Of course, insofar as getting rid of diseased cows is concerned, that is a governmental function which has been going on for a long time; and it should be done; and it should be cleaned up. It is estimated that under this we would get rid of all of the tubercular cattle, or practically all of them, which now exist. Unquestionably that should be done. We would get rid of a very large number of other diseased cattle, both beef and dairy. There are at the present time unquestionably a larger number of cattle than there were 6 or 7 years ago. I think the increase in dairy cows runs from 23,000,000 up to 26,000,000 over the past 5 or 6 years.

Mr. HOPE. Will the gentleman yield?

Mr. TABER. I yield.

Mr. HOPE. It has not been the policy of the Department of Agriculture up to this time to impose a processing tax on any commodity unless it met with the approval of the producers of that commodity, as ascertained through meetings with the producers and their representatives. Did the gentleman get the impression from the hearings that the

Department might impose a processing tax on cattle or dairy products without the approval of the producers being secured?

Mr. TABER. Let me read to the gentleman, page 49 of the hearings:

How much processing tax do you expect to get out of the cattle industry?

Mr. PETRIE. Well, under the various plans considered, it will vary from \$13,000,000 to \$14,000,000 a year, up to three times that much.

That is taken from the hearings. Frankly, in view of the fact that it was generally understood when the bill was on the floor authorizing this thing, I am afraid that they will put on a processing tax for the whole business.

Mr. HOPE. Will the gentleman yield further?

Mr. TABER. I yield to the gentleman from Kansas.

Mr. HOPE. The gentleman knows that the A.A.A. very recently submitted a plan covering the levying of a processing tax on dairy products to the dairy farmers of the country, which plan was rejected by the dairy farmers. I understand that by reason of that rejection the Department has abandoned the plan, which would indicate, it seems to me, that they do not intend to force a processing tax on an industry which does not desire it.

Mr. TABER. These hearings were held on May 8, just about 10 days ago. Frankly, I believe that is the last word from the Department. That is their last message, that they are going to have a processing tax.

Mr. HOPE. Will the gentleman yield further?

Mr. TABER. I yield.

Mr. HOPE. I do not doubt but what the Department may further try to sell the idea of a processing tax to the producers, but I personally do not believe they will try to impose on the producers of any commodity a processing tax when they do not want it.

The SPEAKER. The time of the gentleman has again expired.

Mr. TABER. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOPE. I do not believe they will try to impose a processing tax on any commodity where the producers themselves are adverse to such a tax.

Mr. JONES. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. JONES. The gentleman read a portion of Mr. Petrie's testimony. The gentleman understands that it was shown at the time of the hearings that none of this will be done without calling in representatives of the industry. They have appointed a committee of 25, of which a subcommittee of 5 has been appointed to work out a program. There probably will be no processing tax for the time, but if there is it will be a very small one, and then only if and as the industry is in condition to stand it.

Mr. TABER. I agree with the gentleman that the industry is not in condition to stand it; but we find ourselves in this situation, that we were told from the floor that there would not be a processing tax, yet they come back here now and tell us there will be a little one. I believe we are going to have a big one, and that it will do to these industries just what it did to the hog industry, and just what I believe it did to the wheat industry.

Mr. JONES. The gentleman understands that a processing tax may be levied under the terms of the original act. This bill simply makes an appropriation available for the payment of the benefits without waiting for the collection from the processing fee; and if they are to have any program at all without appropriations there certainly will have to be a processing fee.

Mr. TABER. If they are to have any program at all, without a doubt they will have to get away from this proposition of the benefits of reduction agreements and things of that sort. There probably will not be the necessity for any processing tax if we do not go beyond the \$50,000,000. That

amount will help the situation very markedly, and it will not hurt.

Mr. BLANTON. Mr. Speaker, will the gentleman yield while he is on this subject?

Mr. TABER. I yield.

Mr. BLANTON. In the gentleman's district in New York are a lot of dairy cattle.

Mr. TABER. There are.

Mr. BLANTON. There are also some beef cattle in the gentleman's district.

Mr. TABER. Quite a lot; yes.

Mr. BLANTON. This bill is designed to help both the beef-cattle industry and the dairy-cattle industry.

Mr. TABER. Frankly, I feel that that part of it which might result in a processing tax would hurt both the beef-cattle industry and the dairy-cattle industry.

Mr. BLANTON. I am not talking about that; I am talking about the purpose and the design of the bill, which are to help both industries.

Mr. TABER. I have not become convinced of the fact that the processing tax is designed to help them. I have always been of the opinion that it was designed to hurt them.

What we need to do, in my opinion, is to stop at least some of the importation of beef. We are still importing 19,000,000 pounds of beef annually from the Argentine. Now, I do not believe that when our beef is being sold at 8 cents a pound and Argentine beef can compete with it while paying a duty of 6 cents a pound that we should allow such a condition to continue.

I think we ought not to appropriate more than \$50,000,000 in this bill, the amount authorized to take care of these diseased cattle and to take care of the relief proposed. I believe if we stop there that our cattle industry will be better off. My understanding is that the cattle industry and the sheep industry are beginning to brace up, and they are the only two items that were left alone by the Agricultural Adjustment Act.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman, a member of the committee, be allowed to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TABER. I think if the Department is given these two items involving the \$50,000,000 which was authorized, that we will be doing all we ought to do, and that we will be doing something to help by getting rid of the diseased cattle, or getting them down to a very decided minimum.

Mr. CARPENTER of Kansas. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. CARPENTER of Kansas. The cattlemen in my district, and I think perhaps the greater part of my district is devoted to cattle raising, are opposed to a processing tax on cattle. They are shivering there right now for fear there will be a processing tax. I received a letter from one of my constituents the other day asking me to call upon Secretary Wallace and ask him to take the processing tax off of hogs.

Mr. TABER. I think they feel that way all over the United States; and I think Congress ought to pay some attention to the way the people feel.

Mr. WITHROW. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. WITHROW. I think the gentleman should make it clear also that under the beef and dairy cattle emergency relief measure, which we passed in the House, there was authorized an appropriation of \$200,000,000 which was raised to \$250,000,000 in the Senate. This resolution has cut that amount by \$100,000,000.

Mr. TABER. That is true. At the same time I think it is also true that probably not more than the \$150,000,000 carried in this bill could be used to good advantage between now and the first of the year, when Congress will again be in session.

It is also true that if we are to go into the problem of getting rid of cattle, we do not want to get ourselves into trouble. We have now a very decided drought trouble throughout the North and Middle West, in the gentleman's territory to a certain extent, and in Minnesota and the Dakotas to a more marked extent. The drought area extends all the way down to the central part of the Middle West. How much it is going to affect the dairy-cattle industry, no one knows, and no one can know until we see the full extent of the drought.

Mr. WITHROW. Mr. Speaker, if the gentleman will yield further, do I understand the gentleman to say that in addition to this \$100,000,000 cut that is recommended by the Committee on Appropriations, of which the gentleman is a member, the gentleman is in favor of cutting the amount by another \$100,000,000?

Mr. TABER. I am not in favor of going ahead with anything that calls for a processing tax. I am more afraid of that than anything else. I think it will do more damage to the cattle and dairy industry than anything else that could be done to them at this time.

Mr. WITHROW. I am very much opposed to a processing tax, too.

Mr. TABER. If this \$100,000,000 was in here to get rid of the surplus cattle and use them up in this relief proposition, I would go along with it, because I believe that unquestionably before we get through the winter we will need that much cattle to feed the people, but I do not want to do that with a processing tax where the farmers are burdened a little bit more than they are now.

Mr. WITHROW. But under the provisions of the A.A.A. they do not have to replenish this money with a processing tax. The gentleman is proceeding entirely on the theory that the Agricultural Department is going to raise the money through a processing tax, and I believe that is a false assumption.

Mr. TABER. Will the gentleman listen to this? We came on the floor with a bill and were told there would not be a processing tax. The Agricultural Department has the power under the bill, the way it was finally passed, to put a processing tax on. The Department now comes in and tells us that there is going to be a processing tax. Does the gentleman believe what the Department, who has the power to do the job, says or what the House thought when this bill was before the House and it was passed?

Mr. BACON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. BACON. I think the gentleman is quite correct that the Department intends to put on a processing tax, although when the original bill was before the House it was stated here that there would be no processing tax. I propose to offer an amendment to this bill providing that in carrying out this final reduction program there shall be no processing tax, and I believe that we ought to add that provision to this bill.

Mr. TABER. I think that should be done.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, on one proposition he discussed I agree four-square with the gentleman from New York [Mr. TABER], and that is that in reducing, at Government expense, our supply of beef and dairy cattle in this country it is incumbent upon us to stop the foreign beef that is coming in here across our borders yearly, not only from Argentina but from all over old Mexico. Our market is flooded with millions of pounds of frozen beef from foreign countries. It is continually streaming in here. The big packers have their packing plants down there in Mexico and in Argentina, and peon labor is used to produce it.

In the first place, the beef is raised by Mexican peon labor and by South American peon labor that they can get for practically nothing. The seasons are fine in both Mexico and Argentina. They have fine grass all the year round, and do not have to pay one dollar for feeding. These Mexican and South American peons do not know what the Ameri-

can standard of living is, and are glad to work long hours and for only a very small part of what American labor receives. They get labor for practically nothing, and then the packers in Mexico and Argentina conduct their business with this cheap foreign labor, and constantly bring millions of pounds of this frozen beef into this country, and it helps to glut our market every year. They are going to continue to do so if we do not stop them. We should declare an embargo against all foreign cattle and beef.

It is foolish for this Congress to provide \$100,000,000 or \$150,000,000 to reduce the beef supply of this country and then continue to let this foreign frozen beef come in here across our borders. That ought to be stopped, and it ought to be stopped in this session of Congress. Let us put a rider on this bill, either by rule or in the Senate, where it does not require a rule and it could be added very easily, which will stop foreign beef coming across the borders.

Mr. McCLINTIC. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Oklahoma.

Mr. McCLINTIC. The gentleman will recall the bargaining provisions of a bill which we passed recently giving the President of the United States authority to make agreements with the other nations of the world. Under the authority of that act he could handle the situation that the gentleman refers to.

Mr. BLANTON. I hope he will. But he may not. We should direct it to be done. They not only bring in frozen beef but they bring in live cattle and then send it to pastures or feed pens, and thence to our packers.

A great multimillionaire, the editor of a string of newspapers all over the United States, William Randolph Hearst, has brought from his ranch in old Mexico, a ranch that is run with peon labor, cattle from across the Rio Grande, and for several months he has been feeding these cattle in feed pens out in the western counties of Texas. Every bit of that beef, when it is perfected, will be shipped to Chicago, or St. Louis, or Kansas City, and thus he and other such feeders will flood the country with Mexican beef. That ought to stop.

Mr. RICH. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Pennsylvania.

Mr. RICH. I quite agree with the gentleman from Texas. In order to protect the cattle industry from Mexican competition, does not the gentleman think we ought to have a protective tariff that will protect the cattle from all States of the Union?

Mr. BLANTON. We ought to stop it. We ought not just put a tariff in effect, but we ought to stop it altogether by putting an embargo on foreign cattle and beef.

Mr. GIFFORD. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. May I ask the gentleman if he agrees with me that probably all these industries that have a processing tax, which makes up for the gift we are making to them because it interferes with the volume of their sales, would not desire ultimately to have the ordinary taxpayer pay the bill and the consumer who is supposed to have been getting beef rather cheaply pay the processing tax?

Mr. BLANTON. Eventually when we get the consuming public of the United States back on their feet where again they can buy, we will not have any trouble with surplus beef or processing taxes. Beef is something that every working man must have if he has the money to pay for it. He needs meat when he works hard. He will have the meat if he has the money, and when Franklin D. Roosevelt and this administration gets the American people back on their feet again, they will buy all marketable beef and we will not have any trouble, and I think that day is coming soon.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Speaker, let us get this matter clearly before us. This bill is not a bill levying a processing tax. There is nothing in the world in the measure authorizing the levying of a processing tax. This question was passed upon when you had the legislation before the House

in response to which this appropriation is made. Therefore, I am not going to discuss the processing-tax feature except to say that the processing tax on wheat and cotton is practically paying the entire cost of administration, and if the Department levies a processing tax on beef, the estimates are it will be so small that it will not raise under \$13,000,000 or over \$40,000,000. In this event the Federal Government will be contributing to relief of the cattle and dairy industry \$110,000,000 out of its Treasury. I am going to leave the further discussion of this matter to the gentleman from Texas [Mr. JONES] or someone else familiar with the subject.

Mr. SNELL. Will the gentleman yield for a question?

Mr. BUCHANAN. I yield.

Mr. SNELL. I am very much interested in the matter of a processing tax. When this original measure was before the House I asked some very definite questions of the gentleman in charge of the bill, and I have been referring to the RECORD about it. I was definitely told by the gentleman from Texas [Mr. KLEBERG] that there was a definite understanding with the Secretary of Agriculture that there should be no processing tax of this nature in the immediate future. I should like to know whether, under the provisions of this bill, it is the intention of the administration now to put a processing tax of this character on beef cattle and on the dairy industry.

Mr. BUCHANAN. Not immediately.

Mr. SNELL. What does the gentleman mean by that?

Mr. BUCHANAN. I cannot tell the gentleman. I can only tell the gentleman what the hearings show. If there is a processing tax, the hearings show, it will be a very light one.

Mr. SNELL. As I understand from hastily looking over the hearings, there will be a processing tax, and very soon.

Mr. BUCHANAN. That is not clear; no.

Mr. SNELL. It is not clear, but the gentleman is responsible for this business, and the gentleman represents the administration and should be in a position to tell us the exact situation, in my opinion.

Mr. BUCHANAN. I am not in position to tell the gentleman what has not yet been determined. In other words, they had a conference yesterday, and they are perhaps having one today with the cattle and dairy industries at the Department of Agriculture, and the result of this conference will determine the policy of the Department.

Mr. SNELL. I do not want to seem persistent, but we were told definitely by the gentleman from Texas [Mr. KLEBERG] when the original bill was passed that it was understood with the Secretary of Agriculture there would be no such tax, and we are surprised to have this brought forward now.

Mr. BUCHANAN. I feel confident that whatever assurance was given the gentleman by my colleague from Texas will be lived up to.

Mr. JONES. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. JONES. If the gentleman will consult the exact language used then and the exact language used by Mr. Petrie in the hearings, he will find they are in exact accord—that there would probably be none immediately, or, if there was, it would be a very small one, and there would be no program laid out until they called in representatives of the industry and had them agree on a program; and this is what is being done.

May I also call attention in this connection to the fact that the question of levying the processing fee is not involved in this legislation.

Mr. BUCHANAN. Absolutely not.

Mr. JONES. Under the terms of the act already passed, they have all the authority that is necessary to put on a processing fee. This measure will make an amount of money available which will probably make a processing fee unnecessary for the time being or make unnecessary any considerable processing fee. It may be they will have a small one.

Mr. SNELL. Will the gentleman yield there?

Mr. JONES. Yes.

Mr. SNELL. I like the gentleman's statement except the very last of it. As I understand, the report states that the cattle-reduction program will be subject to the processing taxes like the other commodities under the Agricultural Adjustment Act.

Mr. JONES. Of course, it is and it has been all along. The statement was made in the report and made on the floor that this legislation enabled them to have all the benefits and privileges of the Agricultural Adjustment Act.

Mr. SNELL. There is no disagreement so far as that is concerned, because I agree that the power is there at the present time.

Mr. JONES. Then, why is the gentleman objecting to an appropriation that will at least make any considerable tax unnecessary for the present?

Mr. SNELL. At the present time I am not objecting to the appropriation.

Mr. JONES. Why does the gentleman object when the various organizations concerned want this money made available, just like money was made available in advance of the cotton program?

Mr. SNELL. I am not objecting to that part of the measure, but the industries do not want a processing tax, and when the gentleman and his committee presented the original bill the House was given to understand we would not have a processing tax.

Mr. JONES. I should like the gentleman to read the direct statement to the effect there would be none.

Mr. BUCHANAN. The gentlemen will have to wait and get recognition in their own time, because I cannot yield further.

Mr. SNELL. It ought to appear in the RECORD right here.

Mr. BUCHANAN. I cannot yield further.

Mr. JONES. On what page of the RECORD does that appear?

Mr. SNELL. Page 1963.

Mr. BUCHANAN. I cannot yield further.

Mr. SNELL. Very well, if the gentleman does not want to hear the facts:

Mr. BUCHANAN. The gentleman can bring that out in his own time.

Mr. Speaker, there is something else in this bill besides an appropriation for the livestock and dairy industry, and I want to discuss another feature of the measure.

The appropriation for livestock and dairying is \$150,000,000, which will be sufficient to conduct operations until next January. By that time we can determine whether or not the program is a success.

If it is not a success, we need not use the other 100 million. If it is a success, we will go on with it.

The next section is an appropriation to carry into effect the Bankhead bill, the cotton bill. I want to talk to you about that. There are 1,075 cotton-producing counties in the United States. One thousand of them produce a material quantity, and in each of these 1,000 counties it will be necessary to have a separate organization. Here are the employees that will be necessary for each county. Mind you, there are 1,500,000 cotton farmers in the United States.

In each county they will have to have 1 executive secretary at \$2,100; three clerks and stenographers, temporary employees, at \$3 a day; 3 committeemen at \$3 a day. These committeemen act as the court of a quasi-judicial character to pass on how large an allotment each farmer in that county will be allowed to produce, tax-exempt, under the Bankhead bill.

There will be 10 local committeemen at \$3 per day who see to it that all contracts entered into are complied with. All are appointed from residents of such counties.

The extension agent, or county agent, will serve in collaboration without extra pay.

Then they have three State administrators, who will keep in contact with the organizations and keep them in order and have proper procedure. They get \$10 a day when actually employed. Rentals, office and equipment, \$100,000; telegraph and telephone, \$75,000; administration expenses, Washington office, \$279,030; making a total administration

expense, including allocation to Internal Revenue Bureau, \$1,250,000, \$8,250,000.

Now, how are we going to get the funds to finance this? In the first place, there is a \$6,000,000 surplus in the processing tax of the A.A.A. They will have that \$6,000,000 for the administration, which is authorized by this resolution, and that leaves \$2,250,000 deficit for the administration of the bill. Where will you get that?

You will remember that under the Bankhead bill 10,000,000 bales is set as the maximum production. That is tax-exempt. If there is over 10,000,000 bales produced the surplus is taxed at 50 percent. If there should be an excess of 300,000 more than the 10,000,000 bales this act will be self-sustaining. In other words, the tax on the surplus cotton produced will be more than sufficient to pay for the entire administration expenses of the act.

Mr. MOTT. Will the gentleman yield?

Mr. BUCHANAN. I will.

Mr. MOTT. It was my understanding at the time the bill was passed that the tax was not on the cotton produced but on the cotton actually sold.

Mr. BUCHANAN. No; the tax applies to all produced over 10,000,000 bales.

Mr. MOTT. I understood that it only applied to the portion over the 10,000,000 bales which was sold.

Mr. BUCHANAN. Yes.

Mr. JONES. If he keeps it himself and does not put it into the market, he does not pay the tax.

Mr. BUCHANAN. If he puts it in the warehouse.

Mr. JONES. No; he may warehouse it and leave a record at the gin. He may take it home or put it in the warehouse, and it is not taxed until it goes in commerce.

Mr. HOPE. When it is sold, and it is assumed that it will be sold if a man goes to the trouble of ginning it and putting it in a warehouse, he may sell it the same year or the next year, and he pays the tax when it is sold.

Mr. JONES. He pays the tax when it is sold, but he may use it on his next year's exemption.

Mr. BUCHANAN. What difference does it make, whether the tax is paid next year or when the monthly report is required of him, which I think you will find is correct, or when it is sold? Whenever it is sold the tax is paid, and when that tax is paid, if there are 300,000 bales surplus, it pays the entire administration of this act.

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. WADSWORTH. Can the gentleman conceive of a cotton farmer selling his excess bales when he is faced with a 50-percent tax?

Mr. BUCHANAN. Certainly. The tax is there and it is going to stay there.

Mr. WADSWORTH. But he will not sell.

Mr. BUCHANAN. It is there, and it is going to stay there. He cannot get rid of it by keeping his cotton. If there is any money in it coming to him he will sell it.

Mr. WADSWORTH. There cannot be any profit in it with a 50-percent tax.

Mr. BUCHANAN. He can get his expenses out of it.

Mr. WADSWORTH. But it is aimed to be a prohibitive tax.

Mr. MOTT. How can he get expenses out of it if he is charged 50 percent of the cost of it?

Mr. BUCHANAN. He will get 50 percent of the value of that bale back, and he is not going to leave it in there.

Mr. MOTT. But his expense of raising that cotton is more than the 50-percent tax that he would have to pay, is it not?

Mr. BUCHANAN. No; the gentleman is getting into a problematical question now, as to what the price of cotton will be.

Mr. BOILEAU. The cotton bill provides that the tax shall be imposed only on that produced over and above his allotment. It is not contemplated that he will produce anything over his allotment, so that you cannot expect any real revenue.

Mr. BUCHANAN. Has the gentleman kept up on statistics of cotton production?

Mr. BOILEAU. The Bankhead Act does not contemplate the revenue.

Mr. BUCHANAN. I know that. It contemplates prohibition, but what decree of Congress can control the seasons and cotton pests that regulate production?

The SPEAKER pro tempore. The time of the gentleman from Texas has again expired.

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 5 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HASTINGS. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. HASTINGS. In the event that a cotton farmer produces or raises more cotton than is allotted him, of course, as the gentleman has already explained, he can hold that excess amount over to the next year and reduce the amount next year, and let that come within the amount allotted him.

Mr. BUCHANAN. That is correct.

Mr. HASTINGS. There is one other question that I should like to hear the gentleman discuss. Is it not a fact that most of the cotton has been planted already in the Southern States?

Mr. BUCHANAN. Yes.

Mr. HASTINGS. It is pretty difficult now to reduce it.

Mr. BUCHANAN. Yes; but the beauty about it is that the contracts for cotton reduction of acreage have all been signed in 90 percent of the cotton area, and that reduction in those contracts will be just about what those allotments would be.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. TRUAX. Does the gentleman consider the processing tax on hogs a success?

Mr. BUCHANAN. I have not gone into the processing tax on hogs, but if the gentleman wants to know my humble opinion, I doubt whether a processing tax on livestock and dairy cows or hogs or any other livestock will ever be a success.

Mr. TRUAX. I agree with the gentleman.

Mr. BUCHANAN. However, on cotton and wheat and things of that kind it may be a success.

Mr. TRUAX. One year ago on the Chicago market lard sold for \$6.75 a hundred. Today, with the processing tax, it is selling for \$6.12, a loss of nearly 65 cents a hundred pounds since we have had the processing tax. They are taking it off of the farmer and putting it on the consumer, and both are losing money.

Mr. JONES. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. JONES. May I suggest in that connection, without undertaking to defend the hog program, the benefit paid to the hog grower will make the total price considerably above the price of a year ago.

Mr. TRUAX. But the benefits and the tax combined will not anywhere near equal the cost of production.

Mr. JONES. That is a different story.

Mr. TRUAX. I want a program that will give us the cost of production.

Mr. MOTT. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. MOTT. The argument now is that on account of the tax the revenue will be so large that this act will be self-sustaining?

Mr. BUCHANAN. That is correct. No appropriation out of the Treasury is carried in this resolution for the administration of this act.

Mr. MOTT. My recollection of the debate upon this bill is that the argument was that on account of the amount of the tax nobody would raise an over-plus of cotton and there would not be any revenue at all. Now, which is correct?

Mr. BUCHANAN. There is no cotton farmer on the face of the earth who can control the quantity of his production.

One year he might make a bale to the acre, according to the season. Next year he might have a half a bale to the acre, or a quarter or a few hundred pounds. Next year it might be a failure. There is nobody on earth who can control his production. I venture to say, I hope right now there will not be over 10,000,000 bales produced in the United States. Still, if we have extra good seasons, favorable seasons, we will make 12,000,000 bales of cotton.

Mr. MOTT. Then, if the gentleman will permit, this act is undertaking to levy a 50-percent tax upon the cotton farmer when he raises an overplus of cotton through no fault of his own, but by an act of God?

Mr. BUCHANAN. Correct.

Mr. MOTT. And the gentleman is still in favor of this bill?

Mr. BUCHANAN. Yes, I am still in favor of this bill as a temporary measure, and a temporary measure only, because the farmer who raises a surplus and is subject to a 50-percent tax, will get a great deal more than he loses, from the increased price on that which is exempt from the tax.

Mr. TRUAX. Will the gentleman yield for another question?

Mr. BUCHANAN. No; not on hogs. I am through with hogs.

Mr. TRUAX. But this is not with reference to hogs. Was it not the intent and purpose of the law that the fees collected through the processing tax should be returned to the growers and not to the bureaucrats down in the Department of Agriculture?

Mr. BUCHANAN. The processing tax levied on cotton will produce from one hundred and twenty to one hundred and thirty million dollars a year.

Mr. TRUAX. And that is to be spent for more jobs and more Wall Street lawyers and more professors?

Mr. BUCHANAN. That processing tax is dedicated to be returned to the farmer and for the administration of the act.

The SPEAKER pro tempore. The time of the gentleman from Texas [Mr. BUCHANAN] has again expired.

Mr. SNELL. Mr. Speaker, I move to strike out the last three words.

There was something said a few moments ago about the argument that took place about the processing tax at the time the original bill was passed. I want to refer to page 1963 of the RECORD. I asked the gentleman from Texas [Mr. KLEBERG] this question at the end of some other remarks:

I am especially interested in having the gentleman from Texas tell the House what it is intended to do in regard to the processing tax as affecting the dairy industry.

This is the gentleman's reply:

Mr. KLEBERG. May I suggest to the gentleman that the taxes that might affect either of the two industries would affect them only as they both belong to the cattle industry. It has been tentatively and, I might say, tacitly agreed—and, with permission, I will include a statement of the Secretary of Agriculture in my remarks—that for the immediate future no processing tax would be adopted in connection with this program.

Now, if that is not a definite statement, I do not understand the English language.

Then, further, I said to the gentleman from Texas: "Now, the important part is what you mean by 'the immediate future.'" This is Mr. KLEBERG's reply—I do not seem to find it, but the important part was that he said there will be no processing tax until the price of these products has been increased, and they could not stand it until such time. I know very well that dairy products in my State have not increased. I think this is an entire reversal of the whole program if you are going to start now to put a processing tax on dairy products.

Mr. KLEBERG. Will the gentleman yield for a clarifying suggestion, since I have been brought into the discussion?

Mr. SNELL. I yield.

Mr. KLEBERG. I should like to call attention to the fact that in order to understand what we are trying to do it is necessary to reasonably know the Agricultural Adjustment

Act and what it contains with reference to powers with reference to this money that we are talking about now.

Mr. SNELL. I agree with the gentleman that the power is there.

Mr. KLEBERG. The gentleman, of course, knows that under the Agricultural Adjustment Act, in addition to the processing-tax feature, there is a power whereby the producers and processors may set up marketing agreements.

Mr. SNELL. I agree with that.

Mr. KLEBERG. Under the expenditure of the \$50,000,000 discussed so ably by the gentleman from New York [Mr. TABER], which will inevitably result in a reduction of the available supply of both dairy and beef cattle, and the gentleman is well enough acquainted with the law of supply and demand to know that when production is limited it is reasonable and proper to expect an increase in the price of the commodity involved. So it should be evident that the expenditure in reduction of available cattle should result in better prices.

Now, I would like to add that if and when that occurs the cattlemen, and I happen to be one of them myself, are not asking for any direct aid or contribution by the Government of the United States. They, and I as one of them, are willing to undertake to repay that which it costs the Government of the United States to bring them out of this difficult position.

Further in reply to the gentleman from New York I quote from the hearings before our committee last January on the bills H.R. 6133 and H.R. 7153, a question I asked Mr. Wilson, one of the "big four" packers who appeared before our committee, and his reply:

Mr. KLEBERG. Do you agree with me to the extent that you would be willing to say that the Government would be safe in making an authorization of \$200,000,000 and thereafter work out a means for the amortization of or otherwise to take care of the investment in beef cattle; that is, do you think that it would be a safe investment, or do you think that the money could ever be repaid?

Mr. WILSON. Well, I think that a plan could be worked out, a practical plan, whereby it might be repaid by some agreement between the producers and the processors.

This reply by Mr. Thomas H. Wilson, of Wilson & Co., should convey at least the idea that there might be means other than the processing tax to recapture the expenditures of the Government on behalf of the cattle industry.

[Here the gavel fell.]

Mr. SNELL. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SNELL. As I understand the statement the gentleman has just read from the report of this committee and from the statement made by the distinguished gentleman himself, there is no doubt in my mind but what it is the intention of the Department at a very early date to put a processing tax on the dairy industry of this country. It is my claim that if they do that, it will be putting into effect the absolute opposite of the proposition that was presented to us on the floor of the House by the gentleman from Texas himself at a time when he said he represented the Secretary of Agriculture and the Secretary's position on this proposition.

Mr. KLEBERG. I made the statement then and still make it, that no processing tax was contemplated for the immediate future.

Mr. SNELL. If the Department goes ahead and puts a processing tax on beef and dairy products, it will be contrary to the statements made on the floor of the House at the time the matter was originally under consideration, and will mean the complete destruction of the dairy industry of our State and the whole country.

Mr. KLEBERG. Now, may I ask the gentleman from New York a question?

Mr. SNELL. Yes.

Mr. KLEBERG. By what authority does the gentleman presuppose that the minute this bill is passed the Depart-

ment is going to place a processing tax upon the beef and dairy cattle industry?

Mr. SNELL. I can have no authority, but no Member on the majority side denied my statement. The gentleman from Texas [Mr. KLEBERG] and the chairman of the committee speak for the Department; I do not, and you both refuse to state that it will not be done.

Mr. KLEBERG. As I said a moment ago, I still stand by what I said.

Mr. SNELL. Neither the report accompanying the bill nor the hearings give us any assurance that a processing tax will not be imposed, and in my judgment they both infer an immediate processing tax. The gentleman stands here representing the Department and should speak as positively now against it as he originally did.

Mr. KLEBERG. I wish to ask the gentleman another question, for I desire to clear up what may be a misunderstanding. I should like to know why the gentleman undertakes to state with considerable alarm that in the immediate future a processing tax will be placed on these commodities? Can this be mere conjecture?

Mr. SNELL. Will the gentleman deny it? Will the Chairman of the Appropriations Committee deny it? You do not dare to. What I want is to get you who represent the administration to assure me and the dairy people you will not impose a processing tax on us.

Mr. McGUGIN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, as of this late date there is nothing Congress can do except to enact this bill. The mistake was made when the Bankhead bill was passed and when cattle were made a basic commodity. It will require money to carry out this program, and the money obviously must come from one of two sources, either directly out of the Treasury of the United States, which means out of the pockets of all the people of the United States, or from a processing tax on the supposedly benefited industry.

As of this moment, a processing tax placed upon dairy products would be ruinous; for that matter it always will be ruinous. We can mark it down now that we are never going to use the processing tax successfully on hogs, dairy products, or beef. So, if we are to carry out this program there is but one source from which to get the money, and that is from the pockets of the taxpayers of this country. Having adopted the program there is probably nothing left to do but to go through with it. This much is certain, however, that at the end of the road—and it makes no difference whether you raise the money by a processing or by direct taxes on the people—you are not going to reduce production materially. When the time comes that by the act of Congress initiative is taken away from the American people to the point that they produce less than they are able to produce, then the American people will have deteriorated to the point of not being the class of people who were their fathers and mothers. It is simply contrary to every rule of human nature to talk about reducing production below the ability of human beings to produce. Let me give you an illustration: This very Congress adopted the Agricultural Adjustment program in an effort to force reduction; but at the same identical time Congress authorized appropriations for the purpose of increasing production. The very Agricultural Department which is now carrying on a program to do the unnatural thing of trying to reduce production has called upon this Congress and has been granted by it appropriations to increase production.

To cite a further illustration, the Secretary of Agriculture himself, Henry Wallace, this disciple of reduced production, cannot refrain from trying to increase production when he can sell seed corn for \$6 a bushel. Wallace, who is advocating as the salvation of the American farmer 25-percent-reduced corn production, is connected with a company that has developed a seed corn which will increase production by 25 percent, a species of corn developed by Mr. Wallace himself, of his own ingenuity. So we see today Wallace, the Secretary of Agriculture, advocating a reduction of corn acreage; but Wallace, the individual, selling at \$6

a bushel corn which will increase production 25 percent per acre. It is the most human thing in the world that he should sell a seed corn which would increase production. I cite this as proof to the House that the whole program of trying to reduce production by force is so unnatural that it cannot work as long as American people are human beings.

Mr. HART. Mr. Speaker, will the gentleman yield?

Mr. McGUGIN. I yield.

Mr. HART. That corn is better than the gentleman thinks, for it is selling at \$7 a bushel.

Mr. McGUGIN. Oh, I beg the gentleman's pardon.

[Here the gavel fell.]

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. McGUGIN. I yield to the gentleman from Texas.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that all debate on this paragraph close after the gentleman consumes his 5 minutes. This paragraph deals only with cotton.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McGUGIN. Mr. Speaker, speaking about Secretary Wallace and his two programs, the program of Secretary Wallace to reduce the corn acreage and the program of Citizen Wallace to increase it, may I read a few words from an article which recently appeared in the press of this country?

[From the Chicago Tribune of May 13, 1934]

HENRY WALLACE IN TWO ROLES ON CROP REDUCTION—OWNS FIRM SELLING SEED CORN

WASHINGTON, D.C., May 12.—As the Secretary of Agriculture, Henry A. Wallace is conducting an intensive campaign to induce corn growers to agree to reduce their acreage by 20 percent to boost the price of corn.

As a private citizen, Mr. Wallace, through his ownership in the Hi-Bred Corn Co., of Grimes, Iowa, is selling seed corn to Iowa and Illinois farmers which is advertised to produce 19.8 percent more bushels to the acre.

Farmers who will buy Citizen Wallace's seed corn, therefore, may cut their acreage by 20 percent, receive the Federal bonus money offered by Secretary of Agriculture Wallace, and still produce for the market the same quantity of corn which they grew with their old-fashioned local seed corn.

EDITOR ON LEAVE

In Wallace's Farmer, a farm weekly of which Secretary Wallace is "editor on leave of absence", farmers are besought in editorial columns to sign the corn-acreage-reduction contracts. In adjoining columns they are urged to buy and plant Wallace's Hi-Bred seed corn because it will produce more corn to the acre.

The farmers are told in so many words that they may cut their acreage by 25 percent and still produce the same amount of corn, with resulting economy of money and labor.

The consuming public pays the price of Secretary Wallace's program by increased costs of food, due to processing taxes, and Citizen Wallace profits personally by the sale of seed corn sold by his own company, advertised in the paper of which he is editor on leave, and used to defeat the very purpose of the reduction program.

CLAIMS MADE FOR CORN

In Wallace's Farmer of December 23, 1933, an advertisement of the Hi-Bred Corn Co. appears in which it is claimed that 210 farmers who used the company's seed corn averaged 11.4 more bushels per acre over local corn. This was an average increased yield, the advertisement stated, of 19.8 percent.

On the very next facing page, under the heading "Pushing the Corn-Hog Program", the readers are given arguments and specific directions on how to join the acreage-reduction campaign. At the top of the next page, under the heading "Editorials", the first editorial starts out as follows:

"We sympathize with the farmer who wants to grab the first copy of the corn-hog contract he sees, puts his signature on it, rush the contract to Washington, and get his check back next week."

ADVERTISES SEED CORN

In the issue of January 21, 1933, when Mr. Wallace was editor of the magazine and president of the Hi-Bred Corn Co., and when Mr. Roosevelt was awaiting his inauguration, the corn company, under Wallace's own signature, advertised its prolific seed corn under the heading "Balancing the Farm Acreage—Larger Yields from Smaller Fields."

Mr. Wallace stated that if the entire Corn Belt were planted with the best strains of his seed corn, the result in the ordinary

year would be an increase in corn yields of 300,000,000 bushels. He conceded this would be a "most serious calamity."

But then he stated:

"In our sales efforts we do our best to get corn farmers to cut their corn acreage by 25 percent by putting one fourth of the land into clover, and by planting Hi-Bred corn on the three fourths it is ordinarily possible to get the same yield with much less labor."

FOR MAXIMUM PRODUCTION

At the end of the same advertisement Mr. Wallace declared:

"The problem of civilization is to make it socially advantageous for the individual to produce to the maximum. The Hi-Bred Corn Co. is fully acquainted with this problem and through its officers is doing its best to get the people of the United States to use efficient methods for social ends. When we improve our efficiency and control it in a balance way, we can all of us have twice as high a standard of living as we now enjoy."

In the January 1, 1933, issue of Wallace's Farmer the Hi-Bred Corn Co. advertised its corn as "Wallace Hi-Bred seed corn", and said 1,000 tests had shown an average increased yield per bushel of seed of 84 bushels of corn over the yield with ordinary seed corn.

"Four more hogs in every bushel" was the heading on this advertisement, which in text explained that the 84 bushels would be enough to produce four extra hogs a year.

The issue of December 9, 1933, carries a head on the front cover: "We must cut hog production", and another advertisement of Hi-Bred seed corn appears on page 10.

URGES ACREAGE REDUCTION

In the magazine of November 25, 1933, an address by Secretary Wallace is published, in which he argued for the acceptance by the corn farmers of the acreage-reduction contracts. A half-page advertisement of the Hi-Bred Corn Co. appearing on page 2 repeats the promise of 12 more bushels to the acre by using the Wallace seed corn.

Secretary of Agriculture Wallace is now sending out thousands of "advance checks" to corn growers who have signed up under the acreage-reduction program. These partial payments are given for the farmers' promise to reduce acreage, the balance to be paid at the end of the season.

If they follow the advertisements in Wallace's Farmer, the farmers will take Secretary Wallace's checks, buy Citizen Wallace's seed corn, and market just as many bushels as they did in years past, and get another Federal money bonus at the end of the season, even though their production was not reduced by an ear.

There is the illustration. It makes no difference whether we use the processing tax or use money out of the Treasury of the United States, in the end we are not going to reduce production in this country. One way or the other, human ingenuity will see to it that the American people produce what they are able to produce. Down in the Cotton Belt we are told that they used more fertilizer and the production of cotton has not decreased. That was not criminal conduct. That was natural human conduct. It was ambition, which is instilled in thrifty citizens. It was the trait that made this country great, and this Congress, no matter what the political exigencies of the future may be, is not going to be able to destroy that trait in the American people.

So far as this bill is concerned, with the program already started, probably all that we can do is to pass it; but I warn you now that whatever may be the ultimate end, it will not include reducing production. The mistake was made when we started these two programs, the Bankhead bill and declaring livestock to be a basic commodity. However, that is water over the dam. Above all we should here today put in this bill that no processing tax shall be levied during the coming year on any dairy or beef products. If you do levy such a tax, you will have done incalculable wrong to the dairy and beef industry. You will not have been their beneficiary.

Mr. BLANCHARD. Will the gentleman yield?

Mr. MCGUGIN. I yield to the gentleman from Wisconsin.

Mr. BLANCHARD. If we do not put a restriction on the passage of this resolution, maybe it will just lend encouragement to the Department to put a 5-percent-per-pound processing tax on dairy products immediately.

Mr. MCGUGIN. Yes. Those who are in control of the Agricultural Department are primarily desirous of using this bill in order to obtain control over agriculture as an industry, so that the farms of this country will be operated under decrees from Washington, rather than by the farmers themselves.

[Here the gavel fell.]

The Clerk read as follows:

To enable the Secretary of Agriculture to carry out the purposes of the act entitled "An act to amend the Agricultural Adjustment

Act so as to include cattle and other products as basic agricultural commodities, and for other purposes" (Public, No. 142, 73d Cong.), approved April 7, 1934, there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, pursuant to the authorizations contained in sections 2 and 6 of said act of April 7, 1934, \$100,000,000 for the purposes of the Agricultural Adjustment Act, as amended, and \$50,000,000 for the purposes specified in section 6 of said act of April 7, 1934, including the employment of persons and means in the District of Columbia and elsewhere and other necessary expenses; in all, \$150,000,000 to remain available until December 31, 1935.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that debate on this paragraph and all amendments thereto close in 30 minutes.

Mr. WADSWORTH. Reserving the right to object, would the gentleman be willing to make that 45 minutes? There are several gentlemen on this side who want to be heard.

Mr. BUCHANAN. I think we can get through in 30 minutes.

Mr. BACON. I have a real amendment to offer.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, I tried to get in on the other paragraph, and the gentleman stated I might have that privilege here.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that debate on this paragraph and all amendments thereto close in 40 minutes.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, if I am allowed 5 minutes of that time, I will not object.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I want to know whether we on this side are going to get a chance to say something. From the gentlemen who are on their feet over there, it would seem they will consume all the 40 minutes.

Mr. BUCHANAN. The gentleman will have to get recognition from the Speaker.

Mr. TRUAX. I understand that, but I want 5 minutes.

Mr. BLACK. Anyone who can stop the gentleman from getting 5 minutes on anything is good.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BOILEAU. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, a year ago, when Congress passed the Agricultural Act, we established a policy authorizing a processing tax. It was in the original act that we authorized a processing tax, and that act provided no other way for paying cash benefits or giving direct assistance to the agricultural interests of the country except by raising the money through a processing tax. That was an essential part of the Agricultural Adjustment Act and of the program which has been carried out since that time.

We were successful in getting dairy products included as a basic agricultural commodity. A year passed, and no program was offered or given to the dairy industry of the country. During this session of Congress a bill was enacted to make cattle also a basic agricultural commodity, and the bill authorized \$200,000,000 to be used for the relief of the dairy and cattle industry. That was a concession to the dairy and cattle industry, because it was realized on the part of the administration and by responsible Members of both Houses of Congress that the dairy and cattle industry was in such condition that it needed financial assistance and needed it promptly, and before the funds could be raised through a processing tax.

When that bill was originally sent over to the House Committee on Agriculture, it provided that the \$200,000,000 would be made available under paragraph (b) of section 12 of the Agricultural Adjustment Act, which meant that it had to be repaid through a processing tax. We succeeded in the committee in obtaining an amendment making that \$200,000,000 available under section (a), which leaves it to the discretion of the Secretary of Agriculture whether or not a processing tax should be levied to reimburse the Treasury to this amount.

Now, this amount of money, \$200,000,000, was authorized for the purpose of giving this relief to the cattle and dairy

industries, and it is not compulsory that a processing tax be levied. I believe, however, that sometime in the future and after the program starts, and if they are successful in raising the price of beef and dairy products, a processing tax may be imposed.

This bill only carries \$100,000,000 of the \$200,000,000; but the Department has made it very plain that they believe this \$100,000,000 is about all they can spend between now and the first of January in working out a dairy- and beef-cattle program and in eradication of tubercular and Bangs' disease-infected cattle. This does not mean they are cutting the amount down to \$100,000,000. It means we are presently appropriating \$100,000,000, with the possibility of appropriating the other \$100,000,000 next January or at some later date when that amount of money can be used. I should favor appropriating the entire \$200,000,000 now, but the Department says they can get along for the present with the smaller amount.

In addition to this, we have \$50,000,000 carried in this bill which is to be used for the relief of the dairy industry and the cattle industry, and it is specifically provided that this \$50,000,000 shall not be repaid through the imposition of a processing tax. This is direct aid to the cattle and dairy industry; and I submit that the dairy industry, particularly, has been suffering so long, has been in need of assistance for so long, that we should get behind this measure immediately and pass the bill and send this appropriation over to the Agricultural Adjustment Administration, thereby giving them funds to enable them to put out a program for the dairy industry that will give them the relief they need.

Not only have the principal dairy sections of the country suffered from low prices during the past few years but they have also suffered during the past 4 or 5 years from excessive droughts such as they have never before experienced in that great dairy section of Minnesota and Wisconsin where such a large part of the dairy products of the country are produced. They are in need of prompt assistance. This amount of money put into the hands of the Agricultural Adjustment Administration will place upon that Department the responsibility of putting out a program for the relief of the dairy industry. I may say now what I have said before, and that is, that I have confidence in the men who have charge of the dairy section of the Agricultural Adjustment Administration, and I believe they will solve this great problem in the interest of the dairy farmers.

Mr. KLEBERG. Mr. Speaker, I move to strike out the last two words and ask unanimous consent to revise and extend my remarks, and yield back such time as I may not use.

Mr. BLANCHARD. If the gentleman does not anticipate using all his time, will he yield to me before making his statement?

Mr. KLEBERG. I shall be pleased to yield the gentleman whatever time I have left, and I only expect to take a few moments.

The SPEAKER pro tempore (Mr. WEST of Ohio). Is there objection to the request of the gentleman from Texas? There was no objection.

Mr. KLEBERG. Mr. Speaker, first of all, I want to heartily endorse the sentiments expressed by my distinguished colleague from Wisconsin [Mr. BOILEAU].

I also call the committee's particular attention to the fact that the legislation before us has been the result of long and exhaustive hearings, to which cattlemen and dairy farmers from all over the United States came to present their views. It should be clear to every member of the committee, first of all, with respect to the program to be undertaken in the expenditure of these funds, that an agreement is to be arrived at between the producers involved before any program goes forward; and I respectfully submit that ill-advised and ill-considered arguments concerning tentative possibilities are definitely in opposition to a return to that prosperity which we all desire, no matter to which side of the aisle we adhere; and I suggest particularly to my friend the distinguished gentleman from New York [Mr.

TABER], whose statements I always appreciate, knowing his intelligence, that I cannot for the life of me see why he should undertake to say that something is going to take place before any of those involved have met to consider what plan is to be followed.

Mr. TABER. Will the gentleman yield there?

Mr. KLEBERG. I yield for a brief question, because I only want to take a moment or two.

Mr. TABER. When they come before us in the hearings and tell us what they are going to do, what would you believe?

Mr. KLEBERG. The gentleman should know the law, and the gentleman should know that in the past every one of these programs has been the result of agreement between the Department and the producers.

I now yield the balance of my time to my distinguished friend from Wisconsin [Mr. BLANCHARD].

Mr. BLANCHARD. Mr. Speaker, there are two things about which I should like to be sure before this measure is voted upon.

First of all, if a processing tax is to be levied, I should like to know how much it will be, and, secondly, I should like to know whether or not the passage of this particular bill will lend encouragement to the Department to put into effect the processing-tax program they had in mind several weeks ago, a program which was abandoned as a result of the action taken by the dairy people of the country.

I cannot see that this measure is necessarily any encouragement to the Department of Agriculture to put into effect a 5-cents-per-pound processing tax on dairy products.

Mr. KLEBERG. If the gentleman will yield, may I ask why he says 5-cents-per-pound processing tax?

Mr. BLANCHARD. Of course, I say that only on the basis of some of the statements made by departmental heads several weeks ago. I have no right to assume they would ever put into effect a processing-tax program of that kind; and if I thought for one moment they were going to do it, I would certainly vote against this measure.

It is reasonable to contemplate that some processing tax may be levied, both in the beef-cattle industry and in the dairy industry. Mr. Petrie, chief of the cattle division of the A.A.A. testified that they do propose a processing tax to raise somewhere between \$14,000,000 and \$40,000,000.

If this resolution can be construed as an encouragement for heavy processing taxes on dairy products, then it should be defeated. The Agriculture Department has heretofore been committed to a processing tax of 5 cents per pound on butter fat, but had learned through regional meetings in the dairy sections of the country that the dairy farmers were bitterly opposed to such a tax. And the farmers are right. Any program of this nature would be disastrous to the dairy industry. Instead of helping a situation which is now admittedly bad, it would only make it worse.

If my memory serves me correctly, a processing tax of 5 cents per pound on butter fat would raise in excess of \$100,000,000.

Now, it has been well said today that we have embarked on a program that will in no way be affected by this appropriation, except that it may mean the encouragement of the Department to put on a processing tax that the dairy industry is so bitterly opposed to and which it cannot stand, because of the situation in the industry itself. If I could be assured on those two points, I am perfectly willing to go along with this measure, because it does give some measure of relief to an industry that has reached the point where it cannot stand the strain much longer. [Applause.]

Mr. TRUAX. Mr. Speaker, I move to strike out the last two words. Mr. Speaker and Members of the House, I want to express my views on the general principle of the processing tax as a means of agricultural relief. In the N.R.A. we have fixed the price of practically every commodity you have to buy. You cannot trade in your old automobile for a new one unless you pay the price fixed by the N.R.A.

Last Friday the minimum prices of automobile tires were fixed, and you cannot go to any reputable dealer and buy a tire for one penny less than the price that has been fixed.

I ask you, if you have 10,000,000 unemployed men who are out of work, many starving, which will be the most benefit to them, some pork chops or a good beefsteak, or an automobile tire. Yet you fix it here so that these farmers are in an impoverished condition by the processing tax, and as proof of that I cite the fact that you have had the processing tax on hogs—and when Mr. Wallace put the tax on hogs, the Chicago packers said, "We will take that off the producer"; and they did that very thing, and they have been taking it off ever since.

Now, you come in and want to take the money that has been collected from the processing tax, \$150,000,000, and use it to put some more bureaucrats down in this great mammoth building known as "the Department of Agriculture." You want to put in more young lawyers from New York to tell the farmers what to do; you want to put in some more professors, some more "crackpots", to tell the farmers how to farm.

Everybody knows what is wrong with the farmer. He has to sell his product at less than cost and has for the last 12 years. I want to say to you that in my State he is a damned sight worse off today than he was 1 year ago.

Every farmer in my State will bear me out. You do not want to give us the Frazier bill, for that would refinance them; you do not want to give us the McLeod bill—and we are willing to cut it to \$2,500 maximum pay-off, including all banks. No; that will help the poor people of this country whose life savings are in these closed banks. You do not want to give us the Connery bill for 30 hours a week, for that would help the 10,000,000 unemployed who walk the streets today. No. When it comes to the farmer you have a Secretary of Agriculture making a specialty of selling seed corn at a high price, who makes a specialty of writing for newspapers and magazines, who makes a specialty of going back centuries ago to dig up religious problems of that day and compare them with the religious problems of our day.

You appoint as an Under Secretary of Agriculture a man who would serve better in a bureau of social reform or social economics rather than in farm economics; and, as usual, today the American farmer in the Corn Belt is the "forgotten man." I say to you that unless you do something more than you have already done for our farmers, then there is no hope and all is lost in despair. I yield right now for someone to stand up on this floor and tell me what we have done for the American farmer in the Corn Belt.

Mr. CARPENTER of Kansas. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I will yield to the gentleman to tell me what we have done for the American farmer.

Mr. CARPENTER of Kansas. I want to ask you if a little expansion of currency in silver—

Mr. TRUAX. Oh, yes, yes; but we want the expansion of prices first. We want 8-cent hogs and 10-cent cattle.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I will yield if you will tell me what we have done for the American farmer.

Mr. MAY. I will tell you. The gentleman and I were both for the processing tax in these bills when they were passed.

Mr. TRUAX. And we have found out that it does not work, and they want to take the money collected and put on more parasites in the Department of Agriculture.

Mr. JONES. One of the gentlemen from Iowa made the statement that corn was selling at 6 cents—

Mr. JOHNSON of Minnesota. Six dollars.

Mr. TRUAX. The remarks I heard were about the corn that belonged to the Secretary of Agriculture.

Mr. JONES. No. I was talking about the ordinary run of corn. What is corn selling for today as compared to what it was a year ago?

Mr. TRUAX. It is selling higher than it was a year ago, but in my State we do not have a dozen counties that sell corn. They feed it to livestock. I say this: That any 6-year-old boy ought to know that a program of acreage reduction will never control your surplus. Any boy ought to know that. Any boy ought to know that only God alone

can determine that. It depends on your rainfall and upon the sun and upon natural conditions.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to proceed for 1 minute more.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KELLER. What about the price of wheat as compared with what it was a year ago?

Mr. TRUAX. The price of wheat is lower by 10 or 15 cents today than what it was a year ago. We had wheat up above a dollar nearly a year ago. What is wheat selling for today?

Mr. BEAM. Seventy cents.

Mr. PIERCE. On what market was it selling for more a year ago?

Mr. TRUAX. On the Chicago market, operated by the gamblers, who are still operating and manipulating prices.

Mr. PIERCE. By no means.

Mr. TRUAX. Let me show you the fallacy of this program if this drought continues. You will have curtailed production. The farmer in many cases will have nothing to sell. The consumer in the city will be highjacked and robbed by the packers and food trusts, such as the Quaker Oats Co. and the Kellogg Co., and the others who never reduce the price of their products to the consumer.

The SPEAKER pro tempore. The time of the gentleman from Ohio has again expired.

Mr. BACON. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BACON: Page 3, line 7, after the figures "1935", strike out the period and add the following: "Provided, however", That in carrying out the provisions of this act, the cattle reduction program shall not be subject to any processing taxes."

Mr. BUCHANAN. Mr. Speaker, I make the point of order against the amendment. It changes existing law, and is legislation on an appropriation bill.

Mr. BACON. Mr. Speaker, will the gentleman withhold his point of order? I concede the point of order.

Mr. BUCHANAN. I reserve the point of order.

Mr. BACON. Mr. Speaker, I think it has become very apparent that it is the intention of the Agricultural Department to put a processing tax on the dairy industry and the cattle industry as soon as possible, in spite of the fact that when the original bill was passed it was indicated here on the floor of the House that that was not contemplated. In the report of the chairman of our committee he states:

The cattle-reduction program will be subject to the processing taxes like the other commodities under the Agricultural Adjustment Act.

Mr. COOPER of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BACON. Yes.

Mr. COOPER of Ohio. Does this bill provide an appropriation for the destruction of dairy cattle?

Mr. BACON. Absolutely.

Mr. COOPER of Ohio. Does the President approve of it?

Mr. BACON. I understand that he does.

Mr. COOPER of Ohio. Will the gentleman yield to me while I read a quotation?

Mr. BACON. Yes.

Mr. COOPER of Ohio. What I am about to read is taken from a speech delivered by President Roosevelt at Topeka, Kans., September 14, 1932, when he was speaking to the great agricultural West:

When the futility of maintaining the prices of wheat and cotton through so-called "stabilization" became apparent, the President's Farm Board, of which his Secretary of Agriculture was a member, invented the cruel joke of advising the farmers to allow 20 percent of their wheat lands to lie idle, to plow up every third row of cotton, and to shoot every tenth dairy cow. Surely they knew that his advice would not—indeed, could not—be taken. It was probably offered as the foundation of an alibi. They wanted to be able to say to the farmers of the United States: "Why, you did not do as we told you to. Now go blame yourselves."

I am wondering whether, when the President made that speech, he was in favor of destroying every tenth dairy cow.

Mr. BACON. It must be obvious that the President has changed his mind. This bill provides for the killing and processing of some five to seven million beef and dairy cows. The measure here that we have under discussion today is an emergency measure. It is specifically an emergency measure.

I believe if Congress really intends to prevent a processing tax being placed on the dairy industry, it should adopt my amendment. I admit the amendment is subject to a point of order, but the hearings indicate that the Department intends to place a processing tax on dairy products in an amount ranging from \$14,000,000 to \$40,000,000. I am sorry the gentleman from Texas [Mr. BUCHANAN] has seen fit to make a point of order against the amendment, because in this emergency it seems to me we ought not subject the dairy industry or the cattle industry to a processing tax which will be very harmful to both of those industries.

Mr. JONES. Will the gentleman yield?

Mr. BACON. I yield.

Mr. JONES. Under the program of the previous administration the farmers were urged to plow up as a voluntary matter, with no compensation and no increase in price. This is an entirely different program. It means something to the farmer.

Mr. BACON. I recognize it as an emergency.

Mr. JONES. There has been more talk by people who do not know anything about what the program is than I have ever heard before.

Mr. BACON. I do not want to submit this cattle-reduction program to a processing tax that will be harmful to the industry.

Mr. BUCHANAN. Mr. Speaker, I make a point of order against the amendment.

Mr. BACON. Mr. Speaker, I concede the point of order.

The SPEAKER pro tempore (Mr. WEST of Ohio). The Chair rules the point of order is sustained.

All pro forma amendments are withdrawn.

Mr. HART. Mr. Speaker, I move to strike out the last four words.

I want to discuss for a moment or two the attack made upon Secretary Wallace, because he happens to develop seed corn that will produce 25 percent more corn per acre than the average farmer has been producing with his own seed. No Member of this House who wants to be logical would attack the Secretary upon that ground. The article referred to reads as if he waved a magic wand and, overnight, produced this corn which would yield 25 percent more. As a matter of fact, that has been a slow process running over a good many years, and qualifies him as a successful planner in agricultural matters. In the Department of Agriculture there are scientists who are working along that line and are being paid with money appropriated by this House. I have tried to cut from every appropriation bill for the Department of Agriculture since I have been in the House everything of a stimulating character in excess of what was carried under the organic law, and I have failed in this House to get more than 1 or 2 votes for it. There are some 6,000 county agents scattered over the United States, whose duty it was to make two blades of grass grow where only one grew before. I have tried to remove them and failed. I have tried to remove all the appropriations from every bill that tended to increase production since I have been here, but it has been impossible to do so; yet you come here and criticize the Secretary of Agriculture because he has developed a seed corn that will produce in excess of the average seed corn and, therefore, cheaper corn than the ordinary grade of corn.

When you take that position you should immediately get rid of every scientist in the Department of Agriculture and get rid of every stimulating process that you have within that Department or any other Department. There are plenty of them down there. You should get rid of the seed and fertilizer loans, except in a national calamity where a

whole section has been wiped out. You should get rid of the Agricultural Credit Corporation which provides for the financing of excess production. When you wipe out all those things then you may attempt to criticize your Secretary of Agriculture because he has proved to be a scientist.

Mr. MCGUGIN. Will the gentleman yield?

Mr. HART. Yes; I yield for a question, not for a speech.

Mr. MCGUGIN. Without criticizing, does the gentleman say it is consistent that on one page of Wallace's Farmer he should have an editorial advocating corn reduction, and on the next page an advertisement appealing to them to buy his high-powered seed corn at \$7 a bushel, which will increase production 25 percent per acre? Is that consistent?

Mr. HART. It would not be reasonable to expect that Mr. Wallace would immediately end his business because he became Secretary of Agriculture. His business happens to be producing seed corn. It would be illogical for him to order his company to dissolve and quit his scientific work. However, as he only owns a minority interest in the company he could not do this if he wanted to. So much for the Secretary of Agriculture and his seed corn.

I now want to reply to the gentleman from Ohio [Mr. COOPER], and with especial reference to that portion of his remarks quoting a part of the President's Topeka address and its relation to the appropriation which we are talking about here for the cattle industry. All that is intended under this bill is to remove those cattle which are suffering from tuberculosis and to purchase such beef cattle as may be used in the distribution of food by the Government for relief purposes. There is no intention in this bill of destroying any good cattle or going out and shooting every tenth cow. We are simply providing money to carry on the tuberculosis-eradication program. I do not think anyone in the House would object to that.

The State of Michigan is now rated at 100 percent clean, with reference to tubercular cattle. I think that is a wholesome and healthy program to carry forward. There is no intention under this bill to go out and shoot every tenth cow or every eighth cow or any other cow, except to remove those cattle which are tubercular, and even those are to be put to some use. Also there is appropriated money to buy beef cattle and distribute them the same as they have distributed hogs and flour and butter and many other things to those who need food.

Mr. Speaker, I yield back any time I may have.

The SPEAKER pro tempore. The time of the gentleman from Michigan [Mr. HART] has expired.

Mr. WADSWORTH. Mr. Speaker, I rise in opposition to the pro forma amendment. I beg the patience of the House for just a few moments. It is true that this bill does not add anything to or subtract anything from the power of the Secretary of Agriculture or the A.A.A. in the matter of processing taxes. It might be called a money bill. It is to finance, as I understand it, this proposed work between now and January 1 next. It does, however, bring up the whole question of how we shall treat the cattle industry. I have been in that business all my life. That is not to say by any means that I know all there is to know about it. There is something to learn about the cattle business all the time.

I wish to say a few words about the trend of the beef-cattle market during the last few months, in order, perhaps, that we may have a little better understanding of what the Government may do or may not do. The corn crop of 1932 was a very heavy one. It fetched a pitifully low price per bushel. When corn is low the feeders of cattle always put in more cattle to feed. That is their tendency. When feed is so cheap as 12 or 15 cents per bushel, of course, their temptation is to put more cattle on feed because they can produce the beef at such a low feed price. So a tremendous number of cattle were put on feed in the Middle West, or in the Corn Belt, commencing in the autumn of 1932, on account of the corn crop condition; and as feed was cheap many feeders started on the long feed, in other words to produce an animal that would weigh over 1,300, 1,400, or even up to 1,600 pounds when it was finished.

Inevitably, those cattle all arrived in the market a year later, and kept arriving on the markets at Chicago, Kansas City, St. Louis, and Omaha during the autumn of 1933 and the early winter of 1934. The finest finished 3-year-old steers weighing 1,600 pounds, animals fit for the show ring, fetched as low as 4½ cents a pound, and that was murder to the feeder. Lighter cattle, however, which are sometimes called "baby beef", sold for a good deal higher price per pound, up to 7½ cents, the animal weighing less than 1,000 pounds and not to exceed 2 years in age. In that particular class the supply had been constant.

The run of the heavies is over, and you may have noticed during the last 7 weeks there has been a complete transformation in the beef-cattle market. Heavy cattle—and I saw them in the Chicago yards myself last week weighing 1,600 pounds and down to 1,350—sold as high as 9½ cents a pound. Some Member on the floor a few minutes ago said that the cattlemen were praying for 10-cent cattle. They came within 50 cents a hundred of it last week.

The interesting and the important thing about it from the standpoint of the cattleman is that today and during the past 6 or 7 weeks, for the first time in 3 years at least, there is a proper spread between the finished bullock of weight and the raw material; by "raw material" I mean the thin stocker or feeder which was fetching in the yards last week from 4½ cents to 5 cents a pound. I happen to know because I went there to purchase them.

A spread between the stocker or feeder at 4½ cents and the finished product at 8¾ to 9 cents a pound puts the cattle market in a healthy condition, puts the range of prices in a healthy condition; and it is the first time we have had it in 3 years.

[Here the gavel fell.]

Mr. WADSWORTH. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

Mr. JONES. Not to be taken out of the allotted time.

The SPEAKER pro tempore. Is there objection to the request that the gentleman from New York may proceed for 3 additional minutes, not to be taken out of the time?

There was no objection.

Mr. WADSWORTH. My fear is that the Government will step in and make some dreadful mistake at a moment when the cattle market is just beginning to look bright.

I call attention to the fact—and I think it has some significance—that the Government as yet has done nothing with sheep, and the market for lambs has been consistently favorable and good all winter long. Lambs reached 9½ cents a pound, as I recall, last December; and today they are selling in Chicago between 9 cents and 10 cents. There has been no processing tax, there has been no reduction, there has been no agreement, there have been no contracts, the Government has kept its hands off lambs and this is the only branch of the livestock business that has been prospering. The cattle business would appear to be on the verge of reaching a decent condition. My dread is that the Government will do something to spoil it.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. PIERCE. Is not that situation due to the number of sheep that have gone on the market? I am a sheep man.

Mr. WADSWORTH. Certainly it is. The law of supply and demand has been left undisturbed with respect to lambs and to sheep, and the market has been excellent.

If the Government goes into this thing now and begins to put a processing tax on beef cattle and dairy cattle, it will meet impossible conditions in the attempt to make such a processing tax fair. A tax of 50 cents a hundredweight on an animal selling for 9 cents a pound is, of course, a very low tax, but cannery men sell on the market all the way down to 2 cents a pound, the old canner cow; and a 50-cent tax on her would be a very heavy tax.

There are an infinite variety of cattle, many breeds, each with its special virtue, and in ages and qualities, from "tops" to "canners." No government on earth can classify the beef cattle; their variety is infinite. The judgment of two men will seldom agree on the exact value of a certain

load of steers. One man has one conception and another man well informed has another conception. When the Government gets into it and tries to classify for the purpose of fixing taxes it will simply make a botch of the whole thing.

I have used this occasion only to raise my voice in protest as a cattleman against any proposal, any suggestion, that the Government of the United States put a processing tax on beef cattle.

[Here the gavel fell.]

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the gentleman may have 1 additional minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRUAX. The gentleman from New York made some observations on the classification of cattle, and I think he knows something about that, because his classifications are correct; but from my observation I would say that the men down in the Department of Agriculture, the only kind of cattle they know about is "bull."

Mr. JONES. Mr. Speaker, I think it is peculiarly appropriate that the gentleman from Ohio should bring up the subject he has just mentioned. [Applause.] I am not surprised and have no criticism when gentlemen over on the Jersey side attack the administration or its operation, but the gentleman from Ohio has been bawling around here for 6 months like a sick calf.

Mr. TRUAX. That is the way the farmers are. They are all sick under your program.

Mr. JONES. As a boy I visited a farm at one time and was looking at the cows. They had a big, fine brindle cow with long, wavy hair. I did not know much about dairy cows. I said, "That looks like a fine cow." The dairyman, who was an expert, said, "That cow? why that animal eats more and bawls louder and gives less milk than any cow in the world." [Laughter and applause.]

Mr. TRUAX. Will the gentleman yield?

Mr. JONES. No; I am sorry.

Mr. TRUAX. Mr. Speaker, I rise to a point of personal privilege.

The SPEAKER pro tempore. The gentleman from Texas has the floor.

Mr. TRUAX. I ask the gentleman to yield.

Mr. JONES. No. I did not take up the gentleman's time. I was telling a story. I was not referring to the gentleman, and I am sorry he has put that interpretation on it.

Mr. TRUAX. I want to tell a story, too.

Mr. JONES. The gentleman has told several already.

Mr. TRUAX. I am going to tell another one after the gentleman finishes.

Mr. JONES. Mr. Speaker, this question of handling a farm program is a tremendous one. Ever since I was a boy the farmer has had a hard time getting anything done in his behalf and getting justice and equality. One of the difficulties has been that when any program is started, there are always some of the supposed friends that begin to assault the program. I think the gentleman from Ohio [Mr. Truax] is sincere, but he is impatient and begins to complain before the program is started and before it has had a chance. Some people want the price raised over night, when for 12 long years policies have been pursued by the previous administrations that almost produced chaos. The farmer had been discriminated against so long that his efforts were paralyzed. Can you expect an administration in 12 months to clear all of the trash out of the White House which has accumulated there in 12 long years?

You cannot recover from a serious malady, such as typhoid fever, in 24 hours. You might have the best doctor that ever studied medicine and if you have had 3 or 4 months of typhoid fever and are nearly dead it takes time before you can improve. You might call in one of the finest physicians in the world. He might give you the best treatment that the human mind after centuries of experience could conceive. But he must give time for the healing wings of nature to assist in the restoration. The finest surgeon who ever wielded a knife cannot in 1 day restore

a patient who needs a major operation. Somebody standing on the sidelines at the end of the second day might say: "Why, he is not doing any good. Why do you not call in Dr. Quack? Why do you not call in Dr. Hoover, who produced 20-cent wheat and 10-cent corn and 5-cent cotton?"

They started to hang a judge out in the midwest about a year ago, someone stated here on the floor of the House, because a foreclosure was started when corn was selling at 10 cents a bushel. Corn has been selling for around 40 cents a bushel since this program started. Does anyone want to go back to the wheatless days, the meatless meals, and the sleepless nights of the Hoover administration? I do not think the program is perfect, but I do appeal in all good conscience to all of you. Practically all farm prices are higher than a year ago.

I apologize to the gentleman from Ohio. He and I are good friends. He is a great friend of the farmer. I want him to stop and think. I want him to use his fine energy to help build a program. I was just trying to call his attention to what is being done to work out a problem for agriculture which will cure a condition that has existed for years. Strong men do not leap from birth to full-bloom manhood in a day, except in mythology. It is going to take careful work, with the assistance of everyone who has sympathy. If there is anything wrong I suggest to the gentleman from Ohio [Mr. TRUAX], who is interested in farming and who I know is interested in promoting the welfare of the farmer, to go down and make suggestions. They will make mistakes. Let us work out a program. Let us get together and pull to lift the farmer out of this condition. If you look over the fields of the East and the South and West you will not find them in perfect condition, but they are in much better condition than they were a year ago.

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Speaker, I think one of the peculiar differences between the program they are trying to work out now and the one that has been adverted to over here is the fact they go back and consult the farmers under this program. That was not done under the old program.

They appeared at the hearings we had before our committee. They were consulted. We had a meeting of cattlemen and dairymen from all over the United States. They came and sat in conference in the rooms of the Committee on Agriculture and they asked for this bill. Mr. Petrie and the Secretary of Agriculture said that they would not work out a program until they had consulted with the cattlemen and dairymen. They are trying to do teamwork.

One of the reasons that the wheat and cotton programs have been successful so far is the fact that they have county and community committees, and all of the administrative details practically were worked out by those committees. If a farmer was not satisfied with his allotment, he went before a committee of his neighbors and argued the matter out. The committee usually did about the right thing. The program was taken back to the grass roots. That is Jeffersonian democracy, if I know anything about it, and if these men will be patient, I think some of the programs will have to be changed, but we will get somewhere, and we are getting somewhere. You go out in the fields of the West and South and in the East and look the actual farmer in the eye and ask him if he wants to go back to the debacle we had just before this last session and you will be met with a chorus of nays.

Mr. JOHNSON of Minnesota. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Minnesota.

Mr. JOHNSON of Minnesota. In my home county, containing only 17½ townships, the farmers will receive over \$300,000 on account of the reduction in the production of hogs and the reduction in farm acreage.

Mr. JONES. I thank the gentleman for his suggestion. That is true everywhere. Benefits are being had, the money

is going out, and the men are getting more than they would if they did not have an organized program.

The farm-machinery people reduced their production to the demand. The automobile people reduced their production to the demand. If they had not, automobiles would be selling for \$100 apiece. If they were sold at that price and plows at \$10 apiece, and other prices in proportion, we could then afford to have cheap farm products, but a planless agriculture in the face of a planned industry will condemn the American farmer to poverty. Take it, if you want it. [Applause.]

Mr. GIFFORD. Mr. Speaker, I have been desiring to say a word, perhaps on behalf of the consumer, but particularly for the manufacturer. Evidently this \$150,000,000 is now to be borne by the general taxpayer, since the dairy and cattle interests object to paying this tax and are to demand assistance therein.

These processing taxes are apparently not going to succeed. If it cannot succeed in the case of cotton, where can it be successful? I wish to report what a manufacturer of certain cotton goods told me recently. When I asked him about the situation, he replied, in effect: "A year ago cotton was selling for about 6 cents a pound. Then we went off the gold standard and there was a natural increase in the price to approximately 11 cents per pound, which is what the farmer is now receiving. Then a processing tax was imposed and the cost to the manufacturer of cotton goods rose to about 16 cents a pound. The N.R.A. then came along and the cost to the manufacturer again rose, according to the fineness of the material produced, but in many cases to not less than 21 cents."

In consequence there has been a very large increase in the price of cotton goods to the ultimate consumer. The figures which I have quoted are those given me by a manufacturer, and I doubt whether they can be successfully challenged, for he knew what he was talking about.

Then I asked him about their present program, and he replied that they are now seeking to reach an agreement to curtail the manufacture of cotton by 25 percent. When the material was cheap the wheat farmers were accustomed to use a cotton bag and use it only once, for sanitary reasons. But now they cannot afford them and are going to use paper bags, and once they start doing that they will not return to cotton ones. Hence, a little later we shall hear from the cotton farmers again when they begin to realize that the volume of their sales is being adversely affected. And we are all now beginning to realize that the general public is, after all, to bear most if not all of these processing taxes.

The gentleman from Texas [Mr. JONES] has referred to Mr. Hoover's plan and the large expenditure of money made in taking off the market the surplus crops at the behest of the farmer. Of course, the theory underlying the processing tax plan is that these advances by the Government are supposed to be repaid, through the medium of the tax, by the consumer, who had been buying too cheaply and was supposed to be willing to stand the increased cost. But now we find that after all the processor has for various reasons been unable to pass this tax on to the consumer after all and is in effect making the producer pay it. We are faced with quite a different situation than what was promised. By next year we may very well compare the losses under the Hoover plan with this seemingly complete failure of the processing-tax scheme.

Mr. PATMAN. Will the gentleman yield?

Mr. GIFFORD. Gladly; yes.

Mr. PATMAN. Under the so-called "Dr. Hoover administration", many people were forced to use cotton sacks for bed sheets and towels, too, were they not? We do not want that condition to exist again.

Mr. GIFFORD. We had an actually prosperous time, compared with what we would have been having lately, I may say to the gentleman, if it were not for the loans and gifts of billions by which the Government has been bolstering up the country the past year.

Mr. TABER. Will the gentleman yield?

Mr. GIFFORD. Gladly.

Mr. TABER. Does the gentleman know that the number of families on relief today is just as large as it was a year ago?

Mr. GIFFORD. I will say to the gentleman that on the appropriation of this \$950,000,000 more that is to be given away in any manner in which the President may see fit, the public may come to a realization of the fact that something very artificial and expensive is being resorted to in order to make the people believe that we are, in fact, more prosperous than we were a year ago.

Mr. ARENS. Mr. Speaker, the difficulty of adjusting agriculture seems to be unsurmountable. I rise to make some observations on what was said on the floor this afternoon in regard to this resolution.

The gentleman from Ohio [Mr. TRUAX] is opposed to a processing tax unless the Government fixes the price of the product effected at a cost of production plus a small profit. If a profitable price was fixed to the farmer, the surplus he would produce would be tremendous. Mr. TRUAX must be for some surplus control program and he should suggest one.

The gentleman from Wisconsin [Mr. BLANCHARD] wants to be assured that this bill does not provide for a processing tax, or at least not one as suggested at 5 cents per pound on butter fat.

We produced last year over one and three quarter billion pounds of butter fat in the United States, and 5 cents per pound tax on this would yield in 1 year eighty-seven and one half million dollars. There is no danger of such a tax, and this bill does not provide for any tax.

The gentleman from Kansas [Mr. MCGUGIN] takes a fall out of Mr. Wallace. He states that Mr. Wallace advertises seed corn that will produce one fifth more corn per acre at \$6 per bushel, and thereby increase production, and at the same time the Secretary of Agriculture asks the farmer to reduce acreage of corn in order to produce less corn. If Mr. Wallace can produce seed that will produce on 8 acres as much as we can raise with common seed on 10 acres, he is the greatest benefactor that the farmers have and should return to his farm and do more work along the line of seed breeding. Why plow, seed, cultivate, harvest, and pay taxes on 10 acres if 8 will produce as much? Mr. Wallace could soon place the farmers under the N.R.A. or under the Connors 30-hour-a-week labor bill.

Many speakers dwelled on the insane policy of destroying food as it is supposed to be practiced, especially under the hog-reduction program. The Government bought 6,000,000 pigs and received every runty, sickly and thin pig that was not fit for food. They purchased 100,000 brood sows that had to be within 1 month of farrowing. The State law of Minnesota prohibits the sale of food from any animal that is within 1 month of producing its young. Hogs so destroyed are mostly responsible for the accusation made against the Government.

This bill does not provide nor will the Government destroy any cattle that are fit for food. How the \$100,000,000 appropriated in this bill is going to be used toward the reduction of cattle is in the hands of a committee selected by the cattle breeders themselves.

I am going to vote for this bill. The \$50,000,000 appropriated under the La Follette amendment in this bill provides for the purchase of dairy products and beef to be fed to the needy. This should be an outright appropriation and not be replaced by a processing tax. The Government should feed the poor and not expect the farmer to do it. A portion of the \$100,000,000 available for the purchasing of cattle should be used to eliminate tubercular- and bangs-affected cattle. The Government should also bear this expense as a health measure and no processing tax should be levied.

If the farmers through their committee of five decide to eliminate more cattle, and they should, they therefore should not expect any more public help, but should raise the necessary funds by means of a processing tax.

Mr. TRUAX. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER pro tempore (Mr. West of Ohio). The gentleman will state it.

Mr. TRUAX. The gentleman from Texas made a personal attack upon me [laughter], and I desire to be recognized.

The SPEAKER pro tempore. The gentleman will state his question of personal privilege.

Mr. TRUAX. I repeat that the gentleman from Texas made a personal attack upon me by inferring and stating that I had been inactive and had opposed the President's program and did nothing but bawl.

Mr. JONES. Mr. Speaker, if the gentleman makes that statement I must insist that the language I used be read, because I claim that no such statement was made.

Mr. TRUAX. I demand that the language be read.

The SPEAKER pro tempore. The Chair is of the opinion that the request comes too late.

Under the rules of the House if a Member is called to order for words spoken in debate, the Member calling him to order shall indicate the words excepted to, and they shall be taken down in writing at the Clerk's desk and read aloud to the House; but he shall not be held to answer, nor be subject to the censure of the House therefor, if further debate or other business has intervened.

Other business having intervened, the Chair is of the opinion that the gentleman's request comes too late.

Mr. TRUAX. Mr. Speaker, I made the request before any further business had intervened and was not recognized by the Chair.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. TRUAX] endeavored to secure recognition on a question of personal privilege but did not request at the time that the words objected to be taken down.

Mr. TRUAX. Mr. Speaker, the gentleman from Ohio made the statement he arose to a point of personal privilege.

The SPEAKER pro tempore. The raising of a question of personal privilege involving words spoken in debate does not give the Member affected the right to recognition on that question unless the words objected to be taken down at the time. The gentleman's remedy was to have demanded that the words be taken down at the time they were spoken.

Mr. TRUAX. I do not object to the story of the gentleman from Texas about the old brindle cow. During my farming experience I have always found that the jackass can Bray louder than any other animal on the place.

Mr. JONES. The gentleman certainly qualifies.

Mr. TRUAX. Mr. Speaker, I now rise to a point of personal privilege.

The SPEAKER pro tempore. The gentleman has not qualified to make the point at this time.

Mr. TRUAX. Mr. Speaker, I make the point there is no quorum present.

The SPEAKER. The Chair will count.

During the counting Mr. TRUAX withdrew his point of no quorum.

The Clerk read as follows:

The sum of \$3,000 of the appropriation "Contingent expenses, House of Representatives: Folding documents, 1933 (03114)" is continued and made available for the same purposes during the fiscal year 1934.

Mr. WHITE. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 3, line 11, after the words "year 1934", insert a new section:

"Sec. 2. That section 15 (d) of the Agricultural Adjustment Act (Public, No. 10, 73d Cong.) is hereby amended by adding thereto the following: 'Provided, That where such competing commodity by reason of custom, practice, and/or utility is not in substantial competition with a basic commodity or where by reason of custom, practice, or use of such competing commodity in an industry or industries, there will be no excessive shift in consumption within the meaning of this act, within a State or States, the Secretary of Agriculture is authorized and directed to return the entire benefit of such compensatory tax to the purchasers and users thereof.'"

Mr. WHITE. Mr. Speaker and gentlemen of the House, let us get down to the practical operations of this bill and the processing tax. The operation of this tax on jute bags for the benefit of the cotton-producing industry is working an injustice to producers of many products. I refer to the marketing of potatoes in the State of Idaho; also to peas, beans, barley, and all kinds of products that are using jute bags.

The law should be repealed or modified; and, if my amendment is adopted, users of jute bags will be benefited by the refund of the tax collected to the users of jute bags in marketing their products.

The unfairness of the tax on bags used by other branches of agriculture than cotton is further accentuated by the fact that the cotton industry has been exempted from a tax on the jute which is used for bagging cotton itself. The jute regulations also were so drafted that burlap bags used for wool were exempted. Cotton bagging or cotton bags for wool had never been used in the past for either of these purposes, and the administration quite properly gave recognition to this fact in the regulations. Growers of grain, beans, potatoes, onions, and nuts can see no reason for not being given the same recognition. The facts relating to their use of burlap bags are identical with those of cotton and wool. California farmers on the average use annually about 44,000,000 burlap bags for purposes for which cotton bags has never been used. The processing tax on the jute used in their construction constitutes under present economic conditions a very real burden. The tax total for California alone is close to \$900,000 per year. It touches practically every branch of agriculture practiced in this State.

We do not use cotton sacks in Idaho; we use gunny sacks or jute bags, and it costs us \$6.36 for every carload of potatoes we send out. In presenting the facts with reference to the effect of the jute-processing tax on the cost of marketing potatoes, peas, and vegetables in the States west of the Rocky Mountains, I submit the following letter from the State commissioner of agriculture for Idaho and a resolution by the Idaho State Grange. For the consideration of the Members of the House I desire to present the facts outlined in the application of the California Farm Bureau Federation submitted to the Agricultural Adjustment Administration, for the elimination of the processing tax on burlap bags used for agricultural commodities, to be included in my remarks.

STATE OF IDAHO,
DEPARTMENT OF AGRICULTURE,
Boise, March 29, 1934.

Hon. COMPTON I. WHITE,
Washington, D. C.

MY DEAR CONGRESSMAN: Referring to your letter with reference to the jute tax placed on potato bags, will say that we are very glad indeed that you are carrying on your efforts with the Department of Agriculture to remove the tax which at the present time our potato growers are paying.

It does not seem possible that anyone could talk themselves into feeling that this tax is just, even if it does benefit somebody in some other part of the country. There would be just as much sense in saying that to place a tax on the wool bag would help to relieve the cotton farmer by paying him more for his cotton and thus make a better customer for the manufacturer and grower of wool. That kind of argument does not make sense when it gets back here to our growers in the West who are sacking their onions, beans, and potatoes and placing them on the market, knowing full well that they are paying a heavy penalty just because someone somewhere thinks it should be done. If we have to be a party to raising a surplus or bonus to be paid the cotton industry, or any other industry, why should an item like our potato bags be singled out from all of the rest of the things we buy?

I know full well that I am not trying to convince you with any argument that I may produce. I know very well that you have many arguments that beat some of the things I might mention. I know that you are whole-heartedly in sympathy with our growers here in Idaho, just as I am, and are trying in every way that you can to relieve them.

I am still hoping that through your efforts, along with others whom I know are trying, that we may finally get this tax removed. Thanking you very much for your personal efforts, I am,

Very truly yours,

F. LEE JOHNSON,
Commissioner of Agriculture.

IDAHO STATE GRANGE,
OFFICE OF THE SECRETARY,
Caldwell, Idaho, April 4, 1934.

IDAHO STATE GRANGE RESOLUTION FORWARDED TO SECRETARY WALLACE

Whereas the United States Government, on December 1, 1933, imposed a processing tax upon all jute bags used in the United States as containers of potatoes, onions, and beans, ranging in amount from \$15.65 to \$22.94 per thousand, thereby placing an unjust, unfair, and unreasonable burden upon the farming interests of the State of Idaho, costing them up to the present time better than \$100,000, and which will, if continued, cost them approximately \$275,000 per annum; and

Whereas, without any notice or warning whatever, these taxes were imposed upon jute products, to the serious detriment of both the grower and shipper of Idaho beans, onions, and potatoes; and Whereas the farmers of Idaho are today paying a heavy tariff upon all jute shipped into the United States, also a processing tax upon all cotton goods used by them; and

Whereas the farmers of Idaho have never used cotton bags, except in a small way, in the marketing of their products, and cannot use cotton bags in any quantity except for small consumer packages and on which jute bags cannot be used; and

Whereas jute bags are in no way competitive to cotton as the ordinary containers for potatoes, onions, and beans; and

Whereas the farmers of Idaho are today paying the heaviest freight rates upon their commodities moving to market of any like farming community in the United States; and

Whereas the farm commodities of the State of Idaho during the past few years have sold at prices averaging less than the cost of production, particularly all crops that are affected by the tax on jute products; and

Whereas there is no direct or indirect benefit received by the farmers of Idaho from the moneys that they have paid out as a result of this processing tax; and

Whereas the potato, onion, or bean industry has never received any crop advances or advances for abandoned acreage, nor do they anticipate requesting any such assistance; and

Whereas the tax upon jute products is only another unjust, unfair, and unreasonable burden added to those now being borne by the farmers of the State of Idaho, and further deprives them of any opportunity that they might have to recover from the depressed condition of their industry: Therefore be it

Resolved, That we, the executive committee of the Idaho State Grange, in regular meeting this 31st day of March 1934, protest the processing tax now imposed upon jute bags used in marketing of our commodities, and respectfully urge the United States Government, through the United States Department of Agriculture, to give the producers of potatoes, onions, and beans relief from these unfair, unjust, and unreasonable taxes by removing the processing tax upon all bags used in the marketing of these commodities.

BEFORE THE UNITED STATES DEPARTMENT OF AGRICULTURE— AGRICULTURAL ADJUSTMENT ADMINISTRATION

Application for the elimination of the processing tax on burlap bags used for agricultural commodities from jute regulations made by the Secretary of Agriculture, with the approval of the President, under the Agricultural Adjustment Act, effective December 1, 1933.

APPLICATION OF THE CALIFORNIA FARM BUREAU FEDERATION Interests represented by applicant

The California Farm Bureau Federation is an incorporated, voluntary, mutual, nonprofit association, representing all agricultural interests within the State of California. It is organized for the purpose of protecting the economic, social, and educational interests of farmers. It is nonpartisan in its viewpoint, and is equally sympathetic toward all branches of agriculture.

Regulation complained of

On December 1, 1933, Mr. H. A. Wallace, Secretary of Agriculture, in pursuance of the authority vested in him by section 15 (d) of the Agricultural Adjustment Act, approved May 12, 1933, imposed a processing tax on jute fabric amounting to 2.9 cents per pound on the first domestic processing of jute fabric into bags. The reason given for imposing this tax was "that the payment of the processing tax upon cotton is causing, and will cause, to the processors thereof disadvantages in competition from jute fabric and jute yarn by reason of excessive shifts in consumption between such commodities or products thereof."

Since the date this tax was first levied, numerous complaints of unfair discrimination against them have been filed with us by growers of various agricultural commodities. These farmers have requested us to present their views to the administration in the hope that either it would grant immediate relief on the basis of the facts herein presented or would set a further hearing in this matter on the Pacific coast at an early date.

Position of the California Farm Bureau Federation

We should like at the outset to state our position clearly, so that the statements which we shall make later will not be subject to misinterpretation. Western agriculture is cognizant of the splendid and heroic work being accomplished by the Agricultural Adjustment Administration. It is a believer in and a supporter of the principles which the administration is putting into effect. The comments and such criticism as we shall offer are intended to be helpful and are made with the hope that they

may pave the way to a fair and speedy settlement of what has developed into a vexatious and embarrassing situation for all supporters of the recovery program.

The California Farm Bureau Federation desires to cooperate with the administration to the fullest extent possible. The working out of an equitable application of the jute processing tax is necessary to the success of the cotton plan. In order for the latter to be successful, the fair treatment of growers of other commodities must be considered in accomplishing this end.

The effect of the compensatory jute tax on western agriculture

The compensatory tax based on jute fabric manufactured into bags has imposed a great burden upon farmers in the Pacific Northwest without corresponding benefits to the cotton branch of the industry. Barley, beans, grain sorghums, nuts, oats, onions, peas, potatoes, rice, and wheat are all grown in large quantities throughout this area, and are now and always have been moved in burlap bags. Bulk handling of these commodities is not extensively practiced in the rural sections of the Pacific Northwest, and it is, therefore, customary to sell these agricultural products in burlap bags, usually of 100-pound capacity or greater. The selling price of grain, beans, rice, etc., is based on the delivery of the product in a bag, and in those rare cases where the commodities are delivered in bulk, the cost of a suitable burlap bag is deducted from the current price paid the farmer.

The producers of each and every one of these commodities has suffered from extreme price recessions during the past 4 years, and the amount of economic recovery to date in many instances is much less than that now attained by cotton growers.

The table on page 3 shows the farm prices paid during the past 5 years for the principal California farm commodities using bag containers. It shows that for each of these commodities the price recovery is far from being accomplished. Table I shows, further, that the cost of the customary burlap container has been so increased by the so-called "compensatory tax" that it now costs practically the same or more than it did during the year of highest farm prices during the period in question. There is, therefore, no justification for the assessing of this tax on the ground of ability to pay, nor is there any legal ground within the Agricultural Adjustment Act on which this exaction may be based.

The processing tax on jute applicable to bags used for the agricultural commodities named in table I is unreasonable, unfair, and unjust. Section 5 (d) of the Agricultural Adjustment Act, which is the authority relied upon by the administration for the levying of this tax, states: "The Secretary of Agriculture shall ascertain from time to time whether the payment of the processing tax upon any basic commodity is causing or will cause to the processors thereof disadvantages in competition from competing commodities by reason of excessive shifts in consumption between such commodities or products thereof."

Regardless of the relationship between the price of cotton and burlap, these agricultural commodities have always moved in burlap bags, if the quantity exceeded 50 pounds. Obviously, since cotton bags never have been used for these crops (except in an insignificant amount for experimental purposes) regardless of the extremely low cotton prices which have obtained in the past, there can be no justification for assuming that there has been or will be a shift in consumption resulting from a process tax being placed upon cotton. The application of a tax on bags used for these purposes is, therefore, a clear violation of the intent of the act, and merely results in burdening agriculture with higher costs of production.

Farmers growing most of the commodities named are not receiving Government assistance, except in a limited way; and, since there have been no important price recoveries, these growers find themselves in the dangerous position of being between a nether stone of rising production costs and a stationary upper stone of farm-commodity prices. They are not only unwilling to pay the tax because it is unfairly assessed, but also because they are unable to do so. Some relief is being sought through the reuse of old bags. The majority of growers, however, are forced through trade and operating practices to use new bags, and for them there is no escape from the tax.

TABLE I.—Variation in December 1 farm prices of principal California commodities using bags

Crop	Unit	Price					Price of crop in 1933 (in percent of 1929 price)	Present price of burlap bags (in percent of 1929 price)
		1929	1930	1931	1932	1933		
Barley	Bushel	\$0.70	\$0.48	\$0.49	\$0.25	\$0.42	60	124
Beans	Hundredweight	4.90	4.80	3.50	2.85	3.50	71	96
Grain sorghum	Bushel	1.00	.70	.60	.40	.51	51	124
Oats	do	.61	.43	.36	.29	.38	62	100
Potatoes	do	1.40	1.10	.72	.56	.71	51	89
Rice	do	1.05	.83	.56	.36	.74	70	124
Wheat	do	1.20	.85	.65	.59	.69	57	124
Almonds	Ton	480.00	200.00	176.00	165.00	158.00	39	97
Walnuts	do	320.00	410.00	233.00	222.00	202.00	63	97
Onions	Bushel	.77	.57	.76	.20	.59	77	99
Peas	do	1.85	1.59	1.60	1.37	.90	49	100

¹ Estimated.

It is impossible under present economic conditions for these farmers to pass this tax on. They are faced with the problem of overproduction or failure of markets to absorb normal amounts. They are in most cases getting little if anything above out-of-pocket costs. This tax is, therefore, a direct levy upon returns to growers which are already insufficient to maintain economic existence.

Agricultural relief cannot be accomplished by taxing one portion of agriculture in order to assist another. Since cotton bags have never been used on the Pacific coast (nor elsewhere in the United States in recent years for containers of the commodities mentioned), a compensatory tax levied on burlap bags used for agricultural purposes is unreasonable, and in effect becomes merely a revenue tax placed upon agriculture generally for the benefit of one group, namely, cotton.

The tax on burlap bags used by agriculture is not legally assessed. It is levied in direct violation of the clear and unmistakable intent of the act. It reduces the purchasing power of farmers without widening the market for his products. This is clearly in contradiction of the purposes plainly stated in section 2 of the Agricultural Adjustment Act, which are to establish and maintain such balance between production and consumption of agricultural commodities and such marketing conditions therefor as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period. (August 1909–July 1914.)

The unfairness of the tax on bags used by other branches of agriculture than cotton is further accentuated by the fact that the cotton industry has been exempted from a tax on the jute which it uses for bagging cotton. The jute regulations also were so drafted that burlap bags used for wool were exempted. Cotton bagging or cotton bags for wool had never been used in the past for either of these purposes, and the administration quite properly gave recognition to this fact in the regulations. Growers of grain, beans, potatoes, onions, and nuts can see no reason for not being given the same recognition. The facts relating to their use of burlap bags are identical with those of cotton and wool. California farmers, on the average, use annually about 44,000,000 burlap bags for purposes for which cotton has never been used. The processing tax on the jute fabric used in their construction constitutes under present economic conditions a very real burden. The tax totals for California alone close to \$900,000 per year. It touches practically every branch of agriculture practiced in this State. Table II shows the number used and the tax burden by commodities.

Factors governing the use of jute bags

As has already been pointed out, jute bags have been used in the Pacific Northwest exclusively for bagging certain agricultural commodities. The reasons for the choice of burlap are not the same for each commodity, but they all point to the conclusion that there has been and will be no shift from jute to cotton unless the so-called "compensatory tax" is increased to such a point as to actually make the use of jute impossible.

Each of the principal commodities will now be considered. Barley, rice, grain sorghums, and wheat are almost exclusively handled in burlap bags throughout the Pacific Northwest. There is a small amount of bulk handling, but even in this case, as previously mentioned, the selling price is based on the cost of placing the grain in bags by the purchaser. Grain in bags is customarily stored in high piles in warehouses. It is necessary, due to trade practices, to sample each sack. For this purpose a metal tryer is inserted through the fabric. When the tryer is removed the hole in a burlap bag tends to close up without tearing. A cotton bag, on the other hand, will not stand this practice unless made of exceptionally heavy fabric.

TABLE II.—Number of burlap bags used annually by California agriculture and the present jute processing-tax burden on commodities using burlap exclusively

Commodity	Number of burlap bags used	Tax per bag	Total tax paid
		Cents	
Alfalfa meal	1,500,000	2.731	\$40,965
Barley	14,400,000	2.200	316,800
Beans	4,000,000	2.217	88,680
Cottonseed meal	600,000	(1)	
Mill feeds	1,000,000	2.096	33,533
Mixed feeds	1,000,000	2.096	20,960
Grain sorghums	1,350,000	2.200	29,700
Almonds	380,000	2.731	10,378
Walnuts	600,000	2.731	16,383
Oats	1,000,000	(1)	
Onions	1,200,000	1.798	21,576
Peas	900,000	(1)	
Potatoes	7,000,000	1.676	117,320
Rice	3,200,000	2.290	70,400
Wheat	5,700,000	2.200	125,400
Total including seconds	44,430,000		\$92,101
Total excluding seconds	41,930,000		\$92,101

¹ Seconds.

Suitable cotton bags are now, and always have been, too costly for this purpose. Piles made of cheap cotton bags would soon break down due to leakage under the usual operating practices.

The cost of a cotton bag capable of standing customary uses would be about double the cost of a satisfactory burlap bag.

Jute grain bags are not reused for rice, wheat, barley, or beans, and since they are considered as part of the cost of production, it is essential that as cheap a bag be used as possible. Bags of grain when exported are deliberately "bled" after loading into the ship so that the cargo will load better. Obviously only cheap bags could be used under such circumstances.

The same size and weight of bag is used for barley, rice, and wheat and grain sorghum. It is of a special size (22 by 36 inches) and made of 10-ounce burlap. It holds from 100 to 120 pounds, depending upon the commodity. This size of bag was developed through long experience because it lent itself more readily to piling than the sizes used for other commodities. Only burlap bags have ever been used for these commodities.

Onions in this section are customarily moved in burlap bags of two sizes—18 by 32 inches and 24 by 37 inches, made of 5½- or 8-ounce burlap, and will hold 50 pounds and 100 pounds of onions, respectively. No cotton bags are used for this purpose.

Potatoes also require a cheap bag, as the container is considered a part of the cost of production. The weight of the container is deducted from the gross weight in determining the price paid for all agricultural commodities. Except for a very small quantity of cotton bags used experimentally, jute bags have been and are now being used exclusively. For this purpose a bag 23 by 36 inches, made of 8-ounce burlap, and capable of holding 100 pounds of potatoes is the customary container.

For walnuts and almonds, burlap bags made of 10-ounce burlap, 30 by 40 inches, having a capacity of 100 pounds, are used almost exclusively. A few bags of a smaller size have been used, mainly for advertising purposes or as holiday specials, but these also have been made of burlap. No cotton bags are used for nuts.

Peas and oats move almost entirely in second-hand burlap bags. Cotton bags are never used for this purpose. A processing tax on new bags, however, has increased the cost of second-hand bags materially. These crops are, therefore, also affected.

Bags used for feeds (mixed and mill) are ordinarily made of 9- or 10-ounce burlap, 23 by 36 inches, having a capacity of 100 pounds. A few of these bags are made of cotton where it is desired to use a fancy brand. For the usual run of mill feeds, however, the burlap bag is used almost exclusively, as it is entirely satisfactory and always has been a cheaper container than a suitable bag made of cotton. It will be noted that in this category the size of the bag is different from that used for other commodities which used jute exclusively.

Fertilizers ordinarily move in 9-ounce burlap bags, 21 by 36 inches, having a capacity of 100 pounds.

Alfalfa meal is handled exclusively in burlap bags constructed of 9½-ounce burlap, 30 by 45 inches, having a capacity of 100 pounds.

A summary of data relating to the use of bags by the agricultural industry in California is given in table III, following:

TABLE III.—Data relating to the use of bags by the agricultural industry in California

Commodity	Kind of bag used	Size of bag used	Weight of material (burlap)	Nominal capacity of bag in pounds of commodity	Cost of burlap bag in 1929 per 1,000	1934 cost of burlap bag (including tax)
			Ounces			
Alfalfa meal.....	Burlap.....	30 by 45 inches.....	7½	100	\$155.00	\$135.31
Barley.....	do.....	22 by 36 inches.....	10	100	95.00	118.25
Beans.....	do.....	19½ by 34 inches.....	12	100	118.75	114.67
Cottonseed meal.....	Burlap sec- onds.....	22 by 36 inches.....	9, 10	100	123.50	109.46
Feeds, mixed.....	Burlap.....	23 by 36 inches.....	10	100	(1)	120.00
Do.....	do.....	do.....	9, 10	100	123.50	109.46
Mill feed.....	do.....	21 by 36 inches.....	9	100	97.00	89.25
Fertilizer.....	do.....	22 by 36 inches.....	10	120	95.00	118.25
Grain sorghum.....	do.....	30 by 40 inches.....	10	100	178.00	172.34
Nuts, almonds and walnuts.....	do.....	do.....	do.....	do.....	do.....	do.....
Oats.....	Burlap sec- onds.....	do.....	do.....	do.....	do.....	do.....
Onions.....	Burlap.....	18 by 32 inches.....	5½	50	73.14	72.00
Do.....	do.....	24 by 37 inches.....	8	100	110.00	108.63

¹ Practically none sold.

TABLE IV.—Amount of taxes collected on noncompetitive jute bags compared with amount collected on competitive cotton bags

Commodity	Approximate number of bags of 50-pound capacity or greater	Percent of bags—		Number of bags in—		Compensatory tax on—	
		Competitive with cotton	Noncompetitive with cotton	Competitive class	Noncompetitive class	Processing tax on competitive bags ¹	Jute by commodity using no cotton
Mill feed.....	137,000,000	16	94	8,000,000	129,000,000	\$160,000	\$2,580,000
Mixed feed.....	98,000,000	52	48	51,000,000	47,000,000	1,020,000	940,000
Fertilizer.....	73,000,000	0	100		73,000,000		1,460,000

¹ Based on average of 2 cents tax per bag.

² Percent of bags actually made of cotton considered competitive because field has always been predominated by burlap, even with cotton at extremely low prices.

³ For the purpose of this table, the entire number of cotton bags sold are assumed to be competitive with burlap, although obviously a much smaller proportion should be used.

TABLE III.—Data relating to the use of bags by the agricultural industry in California—Continued

Commodity	Kind of bag used	Size of bag used	Weight of material (burlap)	Nominal capacity of bag in pounds of commodity	Cost of burlap bag in 1929 per 1,000	1934 cost of burlap bag (including tax)
			Ounces			
Peas.....	Burlap sec- onds.....	23 by 36 inches.....	8	100	\$101.00	\$90.16
Potatoes.....	Burlap.....	22 by 36 inches.....	10	100	95.00	118.25
Rice.....	do.....	do.....	10	120	95.00	118.25
Wheat.....	do.....	do.....	do.....	do.....	do.....	do.....

The use of bags in California as indicated in table III appears to be similar to that in other parts of the country for the commodities considered. The use of burlap bags for handling grain is, however, a method peculiar to the Pacific Northwest. In other parts of the country, the other commodities named used burlap bags for the same reasons as they are used in California.

Character of relief sought

The definition of "bags" contained in the jute regulations complained of herein is unreasonable, unjust, and discriminatory to the entire agricultural industry, excepting growers of wool and cotton. We, therefore, earnestly urge the administration to grant relief to growers of other agricultural commodities in one of the following ways, or in such other manner as the administration in its judgment may deem advisable:

(1) By removing the 2.9 cents per pound processing tax on all jute bag containers having a nominal capacity of 50 pounds or more;

(2) Abate the processing tax on both cotton and burlap bags having a nominal capacity of 50 pounds or more;

(3) Remove the processing tax on burlap bags having a capacity of 50 pounds or more when used as containers of alfalfa meal, barley, beans, fertilizer, grain sorghum, nuts, onions, potatoes, rice, and wheat.

The first suggestion will grant relief to those growers of agricultural commodities who do not use cotton bags without prejudicing the use of cotton bags except to a very limited extent. It is unreasonable to penalize farmers who use burlap bags exclusively merely because 1 percent to a maximum of 25 percent, in some cases, of the total bags manufactured of a certain size happen to be made of cotton, particularly when in most of the cases the cotton bag would be used, regardless of the price of burlap. Likewise, it is unjust to farmers to penalize them in order to hold for cotton so small a portion of the total bag business, if this business has been obtained due to cotton prices being so low as to actually fail to pay costs of production. The loss of such business to burlap could not be deemed an "excessive shift."

In order to present a broader picture of the effect of suggestion no. 1 we have prepared a tabulation showing the total number of cotton and burlap bags used in the United States having a capacity of 50 pounds or greater. While in some instances it has been necessary to estimate the quantity of bags of a certain size used for a commodity, these estimates are usually of such small magnitude as not to affect materially the accuracy of the statement.

Out of approximately 560,000,000 bags, less than 20 percent as a maximum could possibly be considered as being competitive. Assuming for the moment that they are all competitive, then it appears that the administration has levied a tax on agriculture of over \$11,000,000 in order to collect a tax of \$2,000,000 on bags which might be deemed taxable under the law. It is also a fact that included in this \$11,000,000 of tax is a levy of over \$4,500,000 on burlap bags which never were in any manner or degree competitive with cotton.

In arriving at the \$2,182,600 tax on so-called "competitive bags", the tax was applied to all cotton bags in the class. Obviously, many cotton bags are used for purposes for which burlap is not suitable and these are, therefore, noncompetitive and should be eliminated. A true picture would likely show that little over 10 percent of the bags listed are actually competitive. A \$9 unjust tax should not be levied in order to collect \$1 that may be due.

TABLE IV.—Amount of taxes collected on noncompetitive jute bags compared with amount collected on competitive cotton bags—Continued

Commodity	Approximate number of bags of 50-pound capacity or greater	Percent of bags—		Number of bags in—		Processing tax on competitive bags	Compensatory tax on—	
		Competitive with cotton	Noncompetitive with cotton	Competitive class	Noncompetitive class		Noncompetitive jute bags	Jute by commodity using no cotton
Potatoes.....	71,000,000	0	100		71,000,000		\$1,420,000	\$1,420,000
Wheat and barley.....	40,000,000	0	100		40,000,000		800,000	900,000
Onions.....	14,000,000	0	100		14,000,000		280,000	280,000
Chemicals.....	7,000,000	0	100		7,000,000		140,000	140,000
Sugar balers.....	30,000,000	4	96	1,200,000	28,800,000	\$24,000	576,000	
Sugar bags.....	6,000,000	13	97	180,000	5,820,000	3,600	116,400	
Coffee.....	4,600,000	0	100		4,600,000		92,000	92,000
Rice.....	8,000,000	0	100		8,000,000		160,000	160,000
Flour.....	65,000,000	175	25	48,750,000	16,250,000	975,000	325,000	
Total.....	504,600,000			109,130,000	455,470,000	2,182,600	9,109,400	4,572,000

² Percent of bags actually made of cotton considered competitive because field has always been predominated by burlap, even with cotton at extremely low prices.

³ For the purpose of this table, the entire number of cotton bags sold are assumed to be competitive with burlap, although obviously a much smaller proportion should be used.

⁴ Open mesh cotton bags are competitive with paper, but not burlap, so are excluded from table.

⁵ Cotton and paper bags are used only for small containers.

⁶ 98-pound and 140-pound bags only. No burlap 50-pound bags used for flour.

The second proposal is offered if, in the opinion of the administration, processors of the small percentage of cotton bags used for containers having a capacity of 50 pounds or more should be fully protected against any possible shift in consumption. Again, we insist that this should not be done at the expense of other branches of agriculture which use enormous quantities of burlap bags exclusively. Full protection for cotton processors can be obtained by abating the tax on the small quantity of cotton bags used in the classification of 50-pound capacity and over without jeopardizing the interests of cotton growers or other agricultural commodities.

The third suggestion will entirely meet the requirements of Pacific coast agriculture. It does not in any way injure the cotton interests or the working of the cotton plan. It fully complies with the Agricultural Adjustment Act. Section 15 (d) of the act does not specify the means of applying a compensatory processing tax. The suggestion merely goes one step further than the exemptions now permitted under present jute regulations, which defines bags as "bags are all bags less than 6 feet in length and less than 3 feet in width made from jute fabrics." We ask merely that the regulations be modified so as to properly exempt all those commodities which have been heretofore moved exclusively in jute containers. We are asking for California agriculture the same treatment that has been accorded to cotton and wool growers; namely, the recognition of the fact that where a commodity has moved practically 100 percent in jute containers in the past, it is entitled to be exempted from the payment of a compensatory tax on the grounds that there has been and will be no shift from the use of cotton to jute.

We most earnestly urge your careful consideration of the matters set forth in this application, together with the supplementary letters attached hereto from representative growers and handlers of various agricultural commodities. We ask that if possible immediate relief be granted by the removal of the tax on jute bags which are not now and never have been competitive with cotton bags, and that if this action is not possible without a hearing, that such hearing be granted at the earliest possible date and be held in San Francisco, so that western agriculture may appear and be fully heard.

Dated at Berkeley, Calif., this 31st day of March 1934.

Respectfully submitted.

CALIFORNIA FARM BUREAU FEDERATION,
By R. W. BLACKBURN, President.

Mr. BUCHANAN. Mr. Speaker, I make the point of order against the amendment.

The SPEAKER. The point of order is sustained.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

On motion of Mr. BUCHANAN, a motion to reconsider the vote whereby the bill was passed, was laid on the table.

DISTRICT OF COLUMBIA BUSINESS

Mr. PALMISANO. Mr. Speaker, this day by unanimous consent was set aside for the consideration of District of Columbia business. In view of the time that has been taken up in the consideration of House Joint Resolution 345, I think we ought to have another day, sometime next week. Therefore, I ask unanimous consent that the business in order on Calendar Wednesday of next week be set aside, and that the day be devoted for the consideration of bills reported from the Committee on the District of Columbia.

The SPEAKER. The gentleman from Maryland asks unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with, and that the

day be devoted to the consideration of bills reported from the Committee on the District of Columbia. Is there objection?

Mr. BLANTON. Mr. Speaker, I do not object to doing away with the business in order on Calendar Wednesday, but I object to the other part of the request.

The SPEAKER. Objection is heard.

THIS IS AN HONEST, DEMOCRATIC, AND AMERICAN METHOD OF ELECTING OUR PRESIDENT.—JOHN G. CARLISLE

Mr. COLDEN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. LEA] may be permitted to extend his remarks in the Record and to include therein certain quotations from Mr. John G. Carlisle.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEA of California. Mr. Speaker, House Joint Resolution 136 proposes a plan which John G. Carlisle declared to be an "honest, democratic, and American method" of electing a President.

The purpose of these remarks is to present the fundamental differences between the existing and the proposed plan of electing the President. I shall also briefly quote from Mr. Carlisle's exposition of this problem.

ELECTORS USELESS

Under the electoral-college system, the people of each State vote for Presidential electors, who, in turn, act as an intermediate agency in electing the President.

The Presidential elector was provided by the Constitution with the intention that he should use his own free discretion in voting for the best possible man for President. It was not intended that his vote should be pledged in advance. Presidential electors of each State were free to vote independently or collectively, as they saw fit.

The electoral college was planned for a nonpartisan Government, at a time when there were no political parties as we know them today.

As soon as political parties developed, the system of unpledged electors was changed to electors pledged to the party which elected them.

Beginning with the fourth election in 1800 and ever since, all Presidential electors have been pledged in advance.

Deprived of any discretion as to how they should vote, the electors ceased to serve any useful purpose. For over 100 years we have continued to elect them, although they have ever since been a needless encumbrance of our election machinery.

They are not only needless, but, as our history has demonstrated, they are responsible for a good many of the uncertainties of Presidential elections. Instead of the popular election always settling the question as to who shall be President, sometimes the popular election is only the beginning of the uncertainties as to the election which at times have harassed the country.

THE UNIT VOTE

The electors are chosen by a plurality vote in each State.

The whole electoral vote of the State is cast for the plurality candidate, regardless of the size of his plurality, whether his vote, for instance, be 40 percent or 80 percent of the popular vote.

The plurality candidate, for instance, who receives only 40 percent of the popular vote receives 100 percent of the electoral vote. The votes of all persons in the State voting for minority candidates are disregarded in computing the result of the election on the final count at Washington.

In the average Presidential election of the last 60 years, over 45 percent of the voters of the country, being all those who voted for minority candidates in all the States, have been disregarded in computing the final results.

Not only are the minority votes disregarded, but the electoral votes represented by them are cast for their opponents.

Even if the minority voters in the State remain away from the polls, the electoral votes granted to the State on account of their residence therein are nevertheless counted in opposition to their wishes.

The electoral votes were divided, at least to some extent, in each of the first 11 Presidential elections. The practice of electing electors by the unit vote, or the general-ticket system, became firmly established in 1832 (with exceptions unnecessary to mention) and has been the universal practice since that time.

UNIT VOTE ADOPTED TO SUPPRESS MINORITY VOTES

The unit vote was a method adopted by the dominating political party in each State to prevent the minority parties in the State from having any voice in the selection of the President. This effort of dominant political parties to prevent minorities in the State from having a voice in the selection of a President was intense preceding the election of 1800, and subsequently developed into a universal practice.

The Tammany victory in New York in the spring of 1800 and the victory of the Jefferson Party in Pennsylvania forecast the election of Jefferson unless the system of selecting Presidential electors should be changed.

The Federalist leaders sought to forestall the election of Jefferson by bringing about a deadlock in the Legislature of Pennsylvania, and thus prevent the people of Pennsylvania from having any voice in the election. They sought to change the system of selecting electors in New York from the general to the district system of election in order that Adams might secure part of the electoral votes of New York instead of Jefferson securing them all.

The Legislature of New Hampshire took away the right of the people to select their Presidential electors, and they themselves chose Federalist electors. In the election that followed the Jefferson State ticket won by a popular vote of 10 to 6, but the electors chosen by the Legislature all voted for Adams.

In Massachusetts, the Federalist legislature did away with the district system of selecting electors and caused them to be selected by general ticket to prevent Jefferson securing any of the electors.

In Virginia, the general assembly did away with the district system of election and provided for the general-ticket system in order to eliminate the possibility of Adams securing any electoral votes from Virginia.

In 1812, within about 1 week of election, the Legislature of New Jersey took away from the people the right to vote for Presidential electors, and themselves selected the electors in order to prevent the opposition party from securing any electors from that State.

Thus the origin of the unit-voting system was a deliberate purpose to deny all minorities a voice in the selection of a President.

STATE PARTIES PREVENT THE COUNTING OF MINORITY VOTES

The only Federal officials for whom the Constitution gave the people the right to vote were Representatives in Congress.

After a good many years the universal practice of permitting the people to vote for Presidential electors was established by the States.

It was over 50 years after the Constitution was adopted before the common practice of selecting Representatives by the general-ticket system was abolished. The dominant political parties in some States continued for that length of time to deny the minority parties within the State the right to be represented in Congress through the selection of Representatives in Congress by districts. Full reform of that practice was accomplished as a result of the Whig victory in 1840.

After the district system of selecting Representatives was established, it soon became a common practice for the State legislatures to gerrymander the congressional districts to deny minority parties in the State their proper representation in Congress. That practice has continued until this hour. It is a form of discreditable politics, which evinces a lack of good sportsmanship by dominant State parties. It is a manifest abuse of legislative power that is a menace to good government. The public has been so long subjected to this abuse of power that it has become unduly tolerant to its malign influence.

The selection of Presidential electors by the unit vote is the same kind of a political offense as gerrymandering. It is the abuse of power by majority groups in the States to serve their own ends and to deny to all minorities their proper representation in the selection of a President. There is no difference in morals or in good politics between denying a minority its just representation in the House through gerrymandering and in denying a minority its just representation in the selection of a President. It is a denial of the just right of the minority to participate in the final count of the election. It is a form of political piracy. It is a refusal to count the votes as cast. In each case it is an abuse of power by those in control. The unit-voting system forbids any just system of mathematics in computing the results and creates what George McDuffie, over a hundred years ago, declared to be "a system of false equations."

DENIAL OF REPRESENTATION

Electoral votes were given to the States on the fundamental principle of electoral votes in proportion to population. Thus, the electoral votes represent the people.

We translate popular votes into electoral votes in the State to give the various States a common unit in which to express themselves in the election of a President.

The electoral votes represent the whole population of the State, those of the minority as well as of the majority parties. The denial of any representation of the minority of the State in the final computation of the result at Washington is a denial of representation, the fundamental principle on which our Government is supposed to be founded.

The minority in the State have as much right to be represented in the electoral college as in the House of Representatives through the election of Members by districts.

After the original struggle to deny minority representation began, it was soon found not practicable for one State to permit minority representation when that was denied in the other States. Thus all the States, through the necessity of adopting the bad example, were forced under the general-ticket system.

I present an illustrative table demonstrating George McDuffie's statement that the unit-voting system is "a system of false equations." The illustration assumes a State with 700,000 voters and 10 electoral votes.

Comparison of methods of computing State votes on final count under present and proposed plans

ELECTORAL-COLLEGE PLAN

Vote for leading candidate	Percent popular vote	Popular vote	Electoral vote	Minority votes disregarded
1. Unanimous.....	100	700,000	10	None
2. Majority (2 or more candidates).....	60	420,000	10	280,000
3. Plurality (3 or more candidates).....	40	280,000	10	420,000

PROPOSED PLAN

Vote for leading candidate	Percent popular vote	Popular vote	Electoral vote	Minority votes disregarded
1. Unanimous.....	100	700,000	10	None
2. Majority.....	60	420,000	6	None
3. Plurality.....	40	280,000	4	None

From the above table it will be observed that the leading candidate, whether he received 100, 60, or 40 percent of the popular vote, would receive the same 10 electoral votes. In one case no minority votes would be disregarded; in the second case 280,000 minority votes would be disregarded; and in the third case 60 percent of all the popular votes, or 420,000, would be disregarded.

Under the proposed plan no votes would be disregarded, and each candidate would receive the number of electoral votes to which his popular votes entitled him; no more, no less.

UNIT VOTE FAVORS GROUP CONTROL

Some ill consequences of the unit-voting system are manifest. One effect is the inducement it offers for group, sectional, and minority control of the Government.

The Presidential election is now a contest of political parties to secure 265 electoral votes. The other 264 are relatively unimportant if the other 265 votes are secured. These 265 votes are secured through plurality votes in each of the States which in the aggregate have that many votes. On the average, as measured by the last election, those 265 electoral votes come from States which have a little over 20,000,000 of the Nation's 40,000,000 voters.

A majority of the popular votes in those States represent less than 26 percent of the voters of the country, or a little over 10,000,000 voters. Thus, 10,000,000 voters representing a little over one fourth of the voters of the Nation actually cast the effective votes that elect the President. The other votes of the Nation are either minority votes or majority votes cast in States where unnecessary to the election.

In cases where there may be three or more candidates a plurality vote might be as low as 40 percent or less of the vote of the Nation. A plurality vote in the States having 265 electoral votes in that event would be less than 8,500,000 voters.

By permitting a plurality group in States having one half of the electoral votes to elect the President, the system unnecessarily caters to group minority and sectional control of the election. Minority groups in the Nation may be given an importance in the final count virtually twice their actual voting numbers.

Under the plan proposed in House Joint Resolution 136, no such results can occur. Under this plan it would require a plurality of the whole Nation, and not simply in half of the States, to elect the President.

So, in any form the election may take by which less than half the voters of the Nation may select the President, this plan would, on the average, require twice as many popular votes as are necessary under the electoral-college system. In other words, this system is more conservative, more sound, stable, and just than the electoral-college system in assuring that the result of the election reflects the will of the Nation.

UNIT SYSTEM INDUCES FRAUD

Another ill consequence of the unit-voting system is the inducement it offers for fraud. The result of the election depends on securing the "doubtful States." The party who secures the plurality secures the whole vote of the State.

It may be that half or more of the popular votes are cast for minority parties, but the plurality candidate receives the total electoral vote.

A few hundred or a few thousand votes fraudulently secured may decide an election when a great State like New York with its 47 electoral votes, may have half of them taken away from the minority, or a great State like Ohio with its 26 electoral votes may have half of them taken away from the minority and given to the majority.

The unearned vote thus secured, as a result of fraud, would be the number of electoral votes represented by the total minority votes in that State.

Under the system of dividing the electoral votes as proposed in House Joint Resolution 136, the inducement to fraud is relatively nonexistent.

In the last Presidential election the average electoral vote represented about 70,000 voters. As the vote would be divided in exact proportion to the popular vote, using two points beyond the decimal in the interest of accuracy for

that purpose, a contest involving 10,000 fraudulent votes, say in a State with 20 electoral votes, would mean a contest over one seventh of 1 electoral vote, instead of a contest over the whole 20 votes, as under the electoral-college system.

Thus, under the present system a fraud of 10,000 votes may secure 20 electoral votes, or even 47 electoral votes. Under the proposed system a fraud of 10,000 votes would involve only one seventh of 1 electoral vote, and ordinarily would be insignificant in determining the result of an election.

DOUBTFUL STATES

Another ill consequence of the electoral-college system is its unwholesome concentration of the contest to win the doubtful States and thus win the unearned votes representing the minorities in those States. The whole intense compact of the contest is centralized on the doubtful States.

The certain States are comparatively on the side lines in the election. Whether the majority of the leading candidate there be 10 percent or 40 percent, 1,000 or 500,000, is immaterial.

The minority votes in all the States are disregarded and not computed in the ultimate result.

Under the system proposed in House Joint Resolution 136, the minority vote in every State would count in the final result, whether in Maine, Pennsylvania, Alabama, or Oregon, each voter could cast his ballot with the assurance that it would contribute to the ultimate result.

The contest for the Presidency would thus be everywhere instead of in the few doubtful States.

The political problem of parties would not be to carry a few doubtful States, but to win votes everywhere. Voters everywhere would participate and have their votes counted as cast.

DEADLOCKS; ELECTIONS IN THE HOUSE

The presidential electors are chosen by plurality votes, but a majority of the electors is necessary to elect a President. In the absence of a majority the election of the President occurs in the House of Representatives, where the election is confined to one of the three highest candidates.

In the election in the House the votes are taken by States, each State having only one vote, which is determined by a majority vote of the Representatives from that State.

In other words, in an election of the President in the House of Representatives the smallest is the equal of the largest State and every other State in selecting the President. The State with 300,000 inhabitants is equal in power with the State of New York with over 12,000,000.

As a majority of the States, 25, have only about 20 percent of the Members of the House of Representatives, it is physically possible for that number of Representatives to select a President against the will of the overwhelming majority of the membership of the House.

Manifestly an election would usually occur in the House of Representatives only where there are three or more candidates having electoral votes or where one of the three highest has died or is disqualified. It is fairly safe to assume that in all such cases the membership of the House would be divided between three or more parties, which would make it probable that no one party would control a majority of the State votes. In that event, the only chance to elect a President in the House is by securing votes by the Representatives of one party for the candidate of another party. Any such election is likely to involve cabal, intrigue, and scandal, such as accompanied the elections in the House in 1800 and 1824.

SUMMARY OF DIFFERENCES IN THE TWO PLANS

To summarize, the differences in the two plans are simple, plain, and important:

The electoral college requires the election of Presidential electors who uselessly encumber our election machinery. The proposed plan eliminates these useless electors and gives the people a direct vote.

The electoral-college plan, through its allotment of electoral votes to the States under the formula prescribed by the Constitution, preserves the relative strength, or voting

rights, of each State in the Federal Government. The proposed plan likewise preserves the relative strength of the States.

The electoral-college system, through its unit vote, denies minority participation in the final count for the election of a President. It is a form of discreditable politics akin to gerrymandering, which is another form of denying the minority its just participation in the election of Representatives.

The proposed plan would end this discreditable mistreatment of minorities and give every candidate the proportion of the electoral votes of the States to which he is entitled, no more and no less.

The electoral-college plan needlessly creates deadlocks and throws the election of the President into the House of Representatives.

The proposed plan would eliminate deadlocks and make the election of a President in the House unnecessary except in the cases where the elected candidate subsequently dies or becomes disqualified, as provided for in the "lame duck" amendment.

The other provisions of the proposed plan are routine and incidental to carrying out the fundamental purposes of the system.

PREVIOUS ATTEMPTS AT ELECTORAL REFORM

There have been two great periods of attempts at electoral reform in this country. The first had its setting in the controversial election in the House of Representatives in 1824, and the second in the controversial election of 1876. Thomas Benton and George McDuffie were the leaders in the first effort, and Senator Oliver Morton, of Indiana, was the leader in the second effort.

Senator Morton stood second on the first ballot for the Republican nomination in the convention of 1876. He was a member of the Electoral Commission which decided the Hayes-Tilden contest. With great ability and tenacity he advocated the elimination of presidential electors and the division of State electoral votes through district selection, as I have heretofore quoted him in presentation of this problem to committees of the House.

Petty politics and sectional and partisan strife made each of these great efforts for electoral reform fruitless.

The need of electoral reform has been almost universally recognized for a hundred years. The statesmanship of the country has presented the rather disheartening spectacle of being unable to reform the system in the face of bitter contests arising out of its defects. Inertia and indifference have made reform impossible when the country, in the absence of any acute injury, is unconscious of the evils that lurk in the system.

As an archaic, crude, and absurd system of selecting the head of the Nation, the electoral-college system is probably without an equal in any popular government in the world.

Its crudeness, inequalities, injustices, and possibilities for a national calamity challenge American statesmanship now when no bitter strife is impending, to correct these manifest evils.

JOHN G. CARLISLE

John G. Carlisle, of Kentucky, is rated as one of our outstanding statesmen of the last 50 years. He served here many years. He was three times Speaker of the House of Representatives, served at length in the Senate, and was Secretary of the Treasury under the last Cleveland administration. His experience, his ability and practical statesmanship will not be questioned.

I submit herewith an approval of this plan as stated by Mr. Carlisle shortly after retirement from the Cleveland Cabinet.

PLAN APPROVED BY CARLISLE

A constitutional amendment, providing simply that the President and the Vice President shall be chosen by the people of the several States, voting by ballot, on a day fixed by Congress, which shall be the same throughout the United States; that the electors in each State shall have the qualifications required for electors of the most numerous branch of the State legislature; that each State shall be entitled to a number of votes—to be called "Presidential", or "electoral", votes—equal to the number of its Senators and Representatives in Congress; and that, in ascertaining

the result of the election each person voted for shall be entitled to have counted in his favor a number of the Presidential, or electoral, votes of each State corresponding to the proportion of the popular vote received by him in such State—this would not only secure uniformity and equality but would greatly simplify the proceedings and avoid nearly all the dangers incident to the existing system.

DIVISION OF STATE VOTE PLAINLY JUST AND FAIR

That each candidate should be entitled to the vote actually received in each State by the electors representing him is a proposition so plainly just and fair, not only to the candidate himself, but to the people who support him, that it ought to receive general assent. It is not suggested that the popular vote of the whole country should be consolidated, or aggregated, so that a majority, or plurality, of the whole number should be necessary to elect; but simply, that each State should control its own electoral or Presidential vote and divide it among the persons voted for, according to the expressed will of its own people, without reference to majorities, or pluralities, in other States. * * *

This can be done without impairing the rights of any State, or interfering with the legitimate interests of any citizen or political party.

Under such a plan the several States would retain all the powers that they now possess in respect to the election of a President and a Vice President, and that power would be exercised directly by the people, voting under such qualifications as should be prescribed by each State for itself.

STATE RIGHTS PRESERVED

* * * The two electors awarded to each State on account of its Representatives in the Senate are chosen by the people at large in the same manner as those awarded to it on account of its population. In this country, the people are the primary source of all political power, and their will, expressed in the form prescribed by the laws of the State, is the will of the State. It is apparent, therefore, that so far as the method of choosing the electors would be concerned, and so far as the equal power of the States as such, would be affected, the suggested amendment would make no change from the present practice, and, consequently, it cannot be justly said that any existing right of the States would be impaired.

ELECTION REGARDLESS OF STATE LINES IMPOSSIBLE, EVEN IF DESIRABLE

"Any attempt to disturb the compromises of the Constitution, by which the equality of the States in the Senate and in the election of President and Vice President was provided for, would provoke a controversy in which the merits of all other features of the proposed amendment would be entirely ignored; and, consequently, those who really desire to secure a reformation of what they regard as the most objectionable parts of the system must be content to leave all others as they now are."

DIVISION OF STATE ELECTORAL VOTES ESSENTIAL TO A REMEDY OF THE EVILS OF THE PRESENT SYSTEM

In my opinion, no amendment will afford a complete remedy for the evils now existing unless it shall provide for the distribution of the Presidential or electoral votes of each State among the persons voted for according to the number of popular votes actually received by each, and that a plurality of the Presidential or electoral votes shall elect. If the entire Presidential or electoral vote of a State should still be given to a single person merely because he received a majority or plurality of its popular votes, the very large and the so-called "doubtful" States would continue to exercise more than their proper share of political power and influence in the selection of candidates, and in the elections; and none of the existing temptations to resort to unusual or improper practices, in order to secure a majority or plurality of the popular vote in such States, would be removed.

MINORITY STRENGTH WRESTED FROM THEM AND TRANSFERRED TO THEIR OPPONENTS

The minorities not only have no representation in the electoral colleges but the political power, which rightfully belongs to them as citizens and qualified voters, is wrested from them and transferred to their opponents. Their votes are not merely lost, but, by reason of the interposition of a wholly useless body of electors, are actually counted for the candidate against whom they are cast. These are not, therefore, the ordinary cases in which minorities are justly required to submit to the will of majorities, or pluralities, but cases in which the minorities are compelled, in the final process of electing, to contribute their whole force to the success of their opponents.

DIVISION OF STATE VOTES WOULD END DEMORALIZING CONTESTS IN DOUBTFUL STATES

If the electoral votes of each State are distributed among the several persons voted for in proportion to the popular vote received by them, respectively, it will be just as important to secure a large vote in one State as in another; and the demoralizing contests for the control of the doubtful or "pivotal" States will not occur. A Democratic vote in the Republican State of Pennsylvania, or a Republican vote in the Democratic State of Texas, would be as valuable to the parties, respectively, as if it had been secured in the most doubtful State in the Union; and a vote for either party in a small State would be just as important as a vote in a large one. If such a provision as is here suggested had been in force in 1876-77, the controversies which arose in regard to the votes of Louisiana, Florida, and South Carolina would have

been of no practical importance, because their determination either way would have affected but a mere fraction of a Presidential or electoral vote in each State, and the result of the election would not have been involved. The rejection of all the disputed votes in the three States would not have defeated Mr. Tilden; and, consequently, there would have been no inducement to make partisan decisions in the local election tribunals, nor any ground for the fear of civil commotion, which disturbed the public mind and paralyzed business during the pendency of the proceedings. It seems that any proposed constitutional or legal provision which, without doing injustice to any part of the people, would insure the country against the recurrence of such a dangerous condition of affairs ought to receive at least the careful consideration of Congress and of the States; and, if rejected, something better should be proposed in its place.

PLURALITY VOTE SHOULD ELECT

The general American rule is that, in choosing public officers, a plurality controls; and the application of this rule to the election of a President and a Vice President is especially desirable, for the reason, among others, that it would almost certainly prevent the devolution of the election upon the House of Representatives, a contingency which is always to be apprehended under the operation of the present system. * * * The constitutional requirement, that the votes of a majority of the whole number of electors chosen shall be necessary to elect, has, twice in our history, made it the duty of the House of Representatives to choose a President, once before the adoption of the amendment of 1804, and once after. On both occasions the public mind was filled with the gravest apprehensions of danger to the peace of the country. At the election of 1824, which was held under the Constitution, as amended, General Jackson received a greater popular vote and more electoral votes than Adams, his strongest competitor, and, under the plurality rule, would have been legally chosen President; but the question was referred to the House of Representatives, and Jackson was defeated.

DEADLOCKS PREVENTED—HOUSE ELECTIONS UNNECESSARY

* * * The simplest and fairest way to prevent the election from being made by the House is to provide that a plurality of the Presidential or electoral votes shall be sufficient, and, as already intimated, this would be no departure from the common law of elections in this country. It is not only the rule in selecting State officials but also in choosing Presidential electors under the present system; but, after the electors have been chosen by pluralities in all the States, the rule or principle is changed and the electors can make no choice except by the concurrent votes of a majority of their whole number. * * *

ELECTORS ARE USELESS AGENTS

Electors are chosen by pluralities for the sole purpose of electing a President and a Vice President, and the propositions here made are simply that these useless agents shall be dispensed with and that the people themselves shall elect, by a plurality vote, but securing to the minorities in the States the right to be effectively represented according to their numbers. * * *

Dangerous defects of our electoral system

The existing provisions of the Constitution on this subject * * * are not only cumbersome and inconsistent with the democratic spirit of our institutions, but so imperfect in their details and so uncertain in their practical operation as to constitute a menace to the peace of the country at each recurring Presidential election, yet * * * we may be compelled to go on, without a change, until some catastrophe shall occur, which will either precipitate hasty and inconsiderate action, or prevent any action, because it has become too late to accomplish anything.

When the people have voted, and the result of the poll has been finally ascertained and declared, the question ought to be settled; but, under the present useless and cumbersome system, the greatest difficulties and dangers are encountered after the popular election has been held.

In no other country in the world would such a system have failed to produce civil dissensions of the most dangerous character; and we shall be fortunate indeed if, in view of the growing importance of the offices to be filled, we continue much longer to enjoy immunity from such discords. * * *

The electoral system, which, even according to its original design, was never consistent with our theory of government, is, in my opinion, the source of all the greatest dangers to which we are now subject. * * *

JUST CAUSE FOR DISSATISFACTION

In a free country, the will of the majority, or of a plurality—if such a rule has been adopted in advance—when constitutionally expressed in the form of a law, or in the selection of public officials, ought to govern; and the minority cannot rightfully complain when its votes are merely lost, or prove ineffective. But when they are transferred to, and counted for, the majority, as they are now in choosing electors, there is just cause for dissatisfaction. If this process were necessary, in order to make the final result of the election conform to the will of the actual majority of the people of the several States, there would be no just cause for complaint; but its tendency is to produce just the contrary effect, as shown by our whole experience under the system. It is, therefore, objectionable, in both form and substance. A majority, or plurality, of 1 in the popular vote of a State is just as effectual to give the entire electoral vote of that State to a single person as is a majority, or plurality, of a hundred thousand, or even a greater number, in another State. It

can, therefore, happen that the result of an election will depend, not upon the majorities, or pluralities, received in all the States, or in a majority of them, but upon a bare majority, or plurality, received in a single State; and this has actually occurred more than once.

PRESENT SYSTEM IS AN INDUCEMENT TO FRAUD

The electoral system is not only unnecessary, and likely to defeat the will of the people of the several States in the selection of a President and Vice President, but as now conducted it affords many opportunities and offers great inducements for fraud and corruption in the prosecution of the contest, as well as in the ascertainment and declaration of the result. When the election of a candidate by the electoral colleges can be secured by the purchase or manipulation of a very few popular votes in what are called the doubtful or pivotal States, it is scarcely to be expected that the temptation to use improper means, if necessary, to influence public opinion in such States will be successfully resisted by those who are entrusted with the management of political campaigns. In fact, a comparatively small number of votes in any one of our great cities may determine the result in a whole State, and thus throw the State's entire electoral vote to one candidate; and this small vote, however improperly it may have been secured, may decide who is to be President of the Republic for 4 years.

DEMONSTRATED EVILS OF SYSTEM MAY BE REPEATED

* * * The severe test to which the temper of our people and the strength of our institutions were then subjected cannot be safely repeated, and yet, while the existing system is continued, we are liable to a recurrence of similar troubles at each Presidential election, under conditions not so favorable, perhaps, to the preservation of the public peace.

There is no good reason why these perilous obstructions should not be removed from our pathway and a plain and just method be adopted for ascertaining and declaring the choice of the people for the two most important offices in the Government. If there ever was a substantial reason for the intervention of electors, it has long since ceased to exist; and every consideration of justice, expediency, and political consistency demands that this antiquated remnant of European aristocracy should be eliminated from our system at the earliest possible day. * * *

I submit a copy of House Joint Resolution 136, introduced by me, with title heads I have inserted for the readers' convenience:

House Joint Resolution 136

Joint resolution proposing an amendment to the Constitution of the United States providing for the election of President and Vice President

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two thirds of each House concurring therein), That an amendment is hereby proposed to the Constitution of the United States which shall be valid to all intents and purposes as part of the Constitution when ratified by three fourths of the legislatures of the several States. Said amendment shall be as follows:

"ARTICLE —

"SECTION 1. That the twelfth amendment of the Constitution of the United States be, and is hereby, amended to read as follows:

"ARTICLE XII

"ELECTORAL COLLEGE ABOLISHED

"The electoral-college system of electing the President and Vice President of the United States is hereby abolished.

"DIRECT VOTE

"The President and Vice President shall be elected by the people of the several States. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

"TIME OF ELECTION

"Congress shall determine the time of such election, which shall be the same throughout the United States. Until otherwise determined by the Congress, such election shall be held on the Tuesday next after the first Monday in November of the year preceding the year in which the regular term of the President is to begin.

"STATE STRENGTH RETAINED

"Each State shall be entitled to a number of electoral votes equal to the whole number of Senators and Representatives to which such State may be entitled in the Congress.

"CERTIFICATES OF RESULTS

"Within 45 days after such election, or at such time as the Congress shall direct, the official custodian of the election returns of each State shall make distinct lists of all persons for whom votes were cast for President and the number of votes for each, and the total vote of the electors of the State for all persons for President, which lists he shall sign and certify and transmit sealed to the seat of the Government of the United States, directed to the President of the Senate.

"VOTE—HOW COUNTED

"The President of the Senate shall in the presence of the Senate and House of Representatives open all certificates, and the votes shall then be counted. Each person for whom votes

were cast for President in each State shall be credited with such proportion of the electoral votes thereof as he received of the total vote of the electors therein for President.

"SIMPLIFIED COMPUTATIONS

"In making the computations, fractional numbers less than 0.01 shall be disregarded unless a more detailed calculation would change the result of the election.

"PLURALITY ELECTS

"The person having the greatest number of electoral votes for President shall be President.

"TIE VOTE

"If two or more persons shall have an equal and the highest number of such votes, then the one for whom the greatest number of popular votes were cast shall be President.

"VICE PRESIDENT

"The Vice President shall be likewise elected, at the same time and in the same manner and subject to the same provisions, as the President, but no person constitutionally ineligible for the office of President shall be eligible to that of Vice President of the United States."

"REPEAL

"Sec. 2. Paragraphs 2 and 3 of section 1, article II, of the Constitution are hereby repealed.

"LIMIT FOR RATIFICATION

"Sec. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three fourths of the States within 7 years from the date of the submission hereof to the States by the Congress."

EXTENSION OF REMARKS

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in connection with the amendment that I offered to House Joint Resolution 345, and to include therewith certain data.

The SPEAKER. Is there objection?

There was no objection.

SOCIAL AND ECONOMIC ORDER

Mr. HARLAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an address delivered by a former Member of this House, ex-Gov. James Cox, at the Jefferson Day banquet.

The SPEAKER. Is there objection?

There was no objection.

Mr. HARLAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by a former Member of the House, ex-Governor James M. Cox, of Ohio, at the Jefferson Day banquet, Dayton, Ohio, May 12, 1934:

Our economic and governmental situation concerns every household in the land. It is a subject of such intimate interest that not a politically partisan word or thought should be expressed about it.

We must not forget what brought it about. It has not been created by the deliberate plans of public officers or laymen. The measures dealing with it are the best that could be devised in the emergency. We hope that it is the way out of chaos into a more contented and prosperous national life.

Its preliminaries were created in a moment of great hazard. Let those who criticize the course taken remember the emergency which saw its beginning. The man most responsible for it is the President of the United States, who, on the 4th of March 1933, assumed the governmental burdens of our people. Sixteen millions were unemployed. Banks were closed. Industry was paralyzed. Human hope was at the lowest ebb in all our history.

Confidence was inspired immediately by the mere fact of action. The President was not afraid to try. He knew mistakes would ensue. No one has been franker to admit them. He has not only admitted them but has taken quick steps to correct them. No responsibility since Lincoln has been comparable to that of Roosevelt, nor has any president since Lincoln selected such a non-partisan cabinet. It was Lincoln's task to save the Union. It was Roosevelt's task to save organized society. He recognized that it could not be done except by strong governmental action restoring social and economic order.

It was no time for theories. The President could not fail to remember—nor must we fail to recall—the words of Lincoln: "I cannot control events. Events control me." No one can make a fair analysis of the present state of things without admitting that as Lincoln was forced into measures and devices by events, so has Roosevelt been. We were not in the midst of an ordinary financial panic. Panic had seized our whole people, and men and women who knew nothing about finance were troubled about the question of life itself.

When a camper is struck by a storm, he quickly drives pegs to tie down his tent. When the waters of the mad Mississippi swept over the lands, the farmers did not wait to call an engineer. They resorted to spade and shovel and other immediate devices both to stay and direct the flood of waters. Roosevelt has simply sought to meet emergencies by driving down stakes

to which could be anchored the concerted energies of our people. He has sought to hold the flood waters by whatever means came to hand.

You may hear criticism of measures or of laws, but can you name a single one that has not been directed at an abuse which we all admit must be removed? Obviously, therefore, differences of opinion concern details rather than the basic principle of recovery.

Our disordered state was not the result of momentary indiscretions. It was the accumulation of the ills that had piled up in more than a decade. We refused to see or think. We entered into a period that could not escape the reactions of the most stupendous upheaval the whole world had ever experienced. Frontiers had been changed, governments had fallen, the normal currents of trade had been reversed or destroyed, and millions who could not find labor found death. Yet in this country the man who gave warning of the certain consequences of our smug complacency was an alarmist. He who urged change was denounced as a radical. Certain forms of organized wealth and human greed seized upon governmental preferences to further selfish aims. There could be but one end to that.

Well do I remember a political meeting in New York City at the close of the campaign of 1920. At that time I said, at the very seat of organized wealth, that if the enterprises in mind, when big business was financing a political campaign, were carried through, then in a comparatively brief season the well-meaning business men in America would thank God for the party of Jefferson, because it would be necessary to the salvation of the country. One extreme follows another. The result of extreme reactionism would carry us to the extreme of revolution unless some instrument to prevent could be found.

That instrument, happily, in the hour of crisis was at hand. The party of Jefferson has always been the liberal party; and upon the ground which he plotted then and we seek to maintain now, the balance is being regained. The philosophy of Jefferson in its essence was that government must respond to social needs, and it cannot do it unless it changes as our social conditions, under the relentless processes of evolution, change. Failure to do that very thing led to the evil times that fell upon us. Our economic and governmental organisms could no longer stand the infection of unhealthy practices and neglect. Then came the collapse. At that critical hour the President of the United States became the attending physician of a dangerously sick land.

When we call attention to the now-improved conditions, the critic insists that they will not last. There are those who honestly differ with the President in many of his policies. But can anyone deny that the passion of his soul is to save the country as Lincoln's was to save the Union? Is it not true that the propagandist critic is a man who wants a return of the old order which brought its preferences to him? We hear it said that business has been taken over by the Government. Is it not true that business, crying for help, threw itself into the hands of government? Did not the banks and the railroads come forward to be saved? Has supplication come from the Government to enter business, or has business as a whole turned to Washington for relief?

Business is but a process and result of human labor. In the modern order of things a man, to live, must work, and the products of his toil are the making of business. The President's one purpose is to restore social order, and social order is dependent upon an orderly industry. If society is prostrate, then what instrument more logically and naturally can be invoked than Government itself? It is the instrument of society, the thing created to act for the whole.

We hear it said that the cost of our recovery is too great, that the accumulating debt will wreck us. We had a large debt to start with, and it could only be paid by restoring prosperity. I remember as a farm boy that the old sucker pump in the well would not work until you poured water into it. And so the case has been with us. It was necessary to take of our reserves and pour the waters of our resources into the pump in order that things might be set going again.

I do not speak for the President, but I am certain in my own conviction that when business, which was sick—and sick unto death—is ready to leave the hospital and keep itself in health, it will find a wide open door. I recur to that figure of speech in which I stated that the President in his every measure was simply driving down stakes for a mooring. They are but the beginning. Legislative and Executive measures born in critical times of emergency will be refined and changed as social needs suggest. That is the theory of a liberal government. But they would never have been driven by the hand of reaction, because the selfish, designing reactionary has always profited by the salvaging of wreckage. Nor would they be refined and perfected by the hand of reaction.

One of the most reassuring things in our whole situation, as I, at least, see it, is that in the 14 months of our rebuilding, with public emotions aroused, with nerves tense and throbbing with the expressed fear that our beloved country was drifting into chaos, the captain of the ship of state has been calm. He has refused no one who sought to counsel with him. He has consulted every class and every condition of life. His continuing strength for his labors is nothing short of a miracle. He believes in the common sense of our people and the perpetuity of our Government, provided that Government is responsive to public needs; and in that faith he goes forward. Bear in mind that human despair brings the elements of turbulence into our public opinion, and they descend upon Congress. If we but knew what the President has withstood, he would by common consent be regarded as the great conservator of our sanity and stability.

LIGHTSHIP "NANTUCKET" DISASTER

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the Nantucket lightship tragedy, and to include therein two short editorials, not controversial, paying tribute to those men who lost their lives.

The SPEAKER. Is there objection?

There was no objection.

Mr. GIFFORD. Mr. Speaker, Tuesday evening the Nation was shocked by the news, given out by radio and the press, that the lightship *Nantucket* had been rammed and sunk by the White Star Liner *Olympic*.

This is the first time that so serious a disaster has occurred in our Lighthouse Service, and all our people will be deeply interested in learning the real cause underlying this new tragedy of the sea, which naturally tends to lessen the public confidence in our modern mechanical navigation. That an aid to navigation placed in a point of danger to protect ocean traffic and guide it safely to the haven should itself have been destroyed by collision seems as strange as it is regrettable.

For many years the lightship *Nantucket* had rendered faithful and efficient service, and it was known to all mariners sailing our North Atlantic waters. It was the largest craft of its kind in the world and equipped with the most modern appliances—an incandescent light of 3,000 candle-power, a powerful radiobeacon, and synchronized submarine oscillator. Its radiobeacon could reach out to ships from 300 to 500 miles distant and under ordinary conditions its masthead light was clearly visible for 12 miles.

The ship, securely anchored by heavy chains, and hence unable to guard itself against collision, was stationed some 42 miles from the island of Nantucket, and it now lies at its post, but 180 feet beneath the water. For years it had furnished the first point of contact with America for trans-Atlantic vessels bound for the port of New York, and navigators innumerable have breathed a sigh of relief upon sighting this friendly ship, which was their assurance that their course had been true and that, thanks to her, they could now escape the hidden reefs and shoals of those dangerous waters.

Of recent years the reassuring contact has been made through the medium of the radiobeacon long before the ship was actually sighted, and regardless of storm, darkness, or fog. Yet this great boon to navigators, operating through the dense fog, brought about the destruction of the lightship and caused the death of all but 4 of her crew of 11 officers and men. Five of the dead were from my city of New Bedford.

I wish to pay tribute to those who died at their post of duty, and to extend sympathy to their bereaved families. Under the best of conditions theirs was a most unenviable occupation. Their station was a lonely spot on the ocean, far from sight of land. The sea there was almost never still, and they were constantly tossed by waves which often became mountainous; but the light and the radiobeacon must not fail.

I am sure that I am expressing the wish of the Congress that the fullest possible investigation of this tragedy be carried out, not only to establish the blame, if fault there was, but that means may be found to prevent the recurrence of this disaster in the future; and also that the families of the men who died may be adequately cared for by a sympathetic and grateful Government.

A statement and editorial follow:

[From the New Bedford Mercury]

LIFE ON LIGHTSHIP IS ONE OF CONSTANT VIGIL AND LONELINESS

NANTUCKET, May 15.—Men that know loneliness man the rugged little ships that hold vigil on reef and shoal along the Atlantic coast.

For 2 months at a stretch the pitching lightship is their home. For 2 months at a stretch they oil and condition the huge oscillators that moan through the fog-blurred bay; that drawl their lullaby at night. They shine the big brass bell and test the beacon; and then go back to their toughest task, whiling away the hours.

Some play cards, many read, and nearly all listen to the radio. But the tender that comes once a month to bring ashore those who have completed their tour, usually carries back a load of hooked rugs, woodwork, and basketry. The men are allowed a month shore leave.

But 2 months is a long time to spend on a cramped ship, stalled in the ocean lanes, with only passing vessels for company. In his small quarters under the clanging bell and the shining beacon, the lightship man in his bunk occasionally hears the swish of a big hull and the pounding of heavy engines. He rolls over and peers through a porthole as a trans-Atlantic liner, ablaze with light, slides by in the darkness. Then the lightship writhes and twists in the grip of the wash and the lightship man rolls over to dream.

The lightship which went down today when the *Olympic* rammed her in a fog was the last word in this type of craft. And lightship men said she lost whom they regard the two most important members of her crew—the two cooks. One died after being picked up, and the other, it was feared, went down to the treacherous shoals, still in the galley.

[From the New Bedford Times]

THE LIGHTSHIP DISASTER

The disaster which overtook the *Nantucket* lightship, rammed and sunk by the *Olympic* yesterday morning, strikes home to New Bedford. Six of the 11 men on board belonged here; and of the 7 who lost their lives, 5 were credited to this city.

The accident emphasizes the hazards of the lightship service. Only a short while ago the *Nantucket* was grazed by a passing vessel, but on that occasion luck was with her, the damage was slight, and nobody was injured. In the thick fog of yesterday fate was less kind. The radiobeacon and other mechanical devices for insuring safety did not avail to prevent the collision which quickly sent her to the bottom.

An investigation will show whether the tragedy resulted from faulty navigation of the ocean liner or whether it must be classed as an unavoidable accident. Meanwhile, it is in order to give thought to the danger to which the lightshipmen are exposed on their lonely stations. Vessels are supposed to pass as closely as possible—and sometimes they come too close, and the result is death. Those who lost their lives yesterday must rank as heroes and are worthy of honor. They died at the hands of those they were safeguarding from the perils of the sea. For them no retreat to some safe haven when storms rage or fog intensifies their danger. Under such conditions it is all the more imperative that they remain on their station, sending out their calls to guide vessels safely clear of the treacherous shoals—aware of the risk they run but meeting it unflinchingly.

For those who were saved, and especially the mate, C. E. Mosher, of New Bedford, we can all give thanks. To those who died we should extend honors due to all who died bravely in the performance of duty.

WELFARE OF THE LABORING CLASS

Mr. CARPENTER of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CARPENTER of Nebraska. Mr. Speaker, some remedy must quickly be found for the misery and wretchedness which presses so heavily on the large majority of the laboring class. Workingmen have been given over, isolated and defenseless, to the callousness of employers and the greed of unrestrained competition. A small number of rich men have been able to lay upon the masses of the poor a yoke little better than slavery itself.

If business men ever adverted to the possibility that industrial relations might have an ethical aspect, they promptly satisfied their conscience by recalling the teaching of the classical economists to the effect that every free contract is also a fair contract.

Speaking generally, I may say that the rights and the obligations of both capital and labor and proposed remedies for the most destructive evils in the industrial system, showing partiality neither to employer nor to employee, treating both with evenhanded justice and charity, resolves itself into four general divisions, property, state, wages, and labor unions, which four subjects constitute the most fundamental and difficult of all our industrial problems.

Property should be widely distributed and as many as possible of the laboring class should become owners. The advantages of society would be greatly increased by a more equitable division of the productive wealth of our country, and, as far as possible, bridge over the gulf between vast wealth and sheer poverty. I do not believe in the doctrines of plutocracy, which teach that the function of ownership

belongs to a few industrial and banking supermen, while the great mass of people are competent only to use the property under the dominating direction of the so-called "supermen." No reconstruction will be satisfactory or stable which does not include a wide distribution of the ownership and the profits of ownership and advantages of modern scientific improvements among the laboring masses.

State: Whenever the general welfare and interest of the great majority suffers and is threatened with destruction, it is the duty of the State and public authority to intervene, as has this administration under the great leadership of Franklin D. Roosevelt. This intervention should be broad and progressive. Our situation justified the enactment into law the 30-hour week and all reasonable measures of labor legislation. The abolishment of child labor, minimum-wage laws, and insurance against sickness, old age, and unemployment must necessarily follow. "No class legislation" is one of the shallowest of all shallow slogans that have protected the strong at the expense of the weak and defeated the ends of social justice. Legislation should be adjusted to meet the varying needs of the different social classes. The rich have always had means of shielding themselves and stand less in need of help from the State, but are usually the first to apply; while the poor have no resources of their own to fall back on and must rely chiefly upon the State to recognize their need. The wage earners belong principally to this class, and it necessarily follows, must be protected and cared for by the Government. This principle has been followed, in my judgment, to a great extent in this new deal, and the 30-hour week should also be passed to round out the program.

Wages: It has been generally thought by many that the wage contract fell under the regulative principle of supply and demand. Outside of the working classes themselves it was almost universally held that the wages fixed in the market by the forces of unlimited competition were always fair and just. No matter how low the remuneration of labor descended, it was ethically right and correct if it was determined by a free contract. This is not so, and has been proven incorrect and the dictates of nature have decreed that in any bargain between man and man the remuneration must be sufficient to support the wage earner in reasonable and frugal comfort. If, through necessity or fear of worse evil, the workingman accepts harder conditions because the employer will give him no better, he is made the victim of force and injustice.

Almost everyone renders at least lip service to the principle of the living wage. It is the principle embodied in the N.R.A. No business whose existence depends on paying less than living wages to its workers has any right to continue in this country, and by that is meant wages that insure a decent living.

If that principle had been heeded during the past 12 years this great depression would have been much less severe, and there is a possibility that it would not have happened at all. Persons whose judgment has not been perverted by antiquated economic theories or selfish economic interest realize that the main cause of the depression has been too little money in the hands of those who would have bought more of the products of industry and the farm, and too much money in the hands of those who were unable to spend more than a small part of it for consumption goods. Had employers given more to labor and kept less for themselves, they would not have carried so far the overexpansion of our industrial plant, and therefore caused so much unemployment. If all the workers in this country had been receiving living wages during the last 20 years, they would have been able to purchase much, if not all, the goods that would have been produced.

A living wage and shorter hours, thereby putting these idle men back to work, is peculiarly appropriate and necessary in our present situation, and our present situation will never be solved successfully until we do this. Until labor obtains higher wages and shorter hours and permanent employment, thereby obtaining a larger amount of purchasing power and a greater share of profit, we shall not make much

progress in wading out of our present appalling situation of 10,000,000 unemployed. We will not be able to prevent the coming of another and even more destructive collapse unless we give labor more and capital less. Our recent experience has proved by demonstration that a living wage is not only right ethically but wise economically.

Labor unions: Another subject we must also consider is the organization of labor and their right to bargain. It is a general and lasting law that workingmen's associations should be so organized and governed as to furnish the best and most suitable means for attaining what is aimed at; that is to say, for helping each individual member to better his or her condition to the utmost in body, mind, and property. It is well to distinguish between effective unions and hypocritical imitations. Into the United States has come such imitation, known as the "company union", and the words just quoted are an implicit condemnation of that abominable invention. The company union does not enable its members to "better their condition to the utmost in body, mind, and property." The right of the worker to enter associations is and should be his natural right. The company union violates this right and principle because in practically every case it is imposed from above by threats and coercion. The worker's right to form labor unions and to bargain collectively is as much his right as his right to participate through delegated representatives in the making of laws which regulate his civic conduct. Both are inherent rights. The worker can exercise his God-given faculty of freedom only through a system which permits him to choose freely his representatives in industry. From a practical standpoint the worker's free choice of representatives must be safeguarded in order to secure for him equality of contractive power in wage contracts. Undue interference with this choice is an unfair labor practice, unjust alike to the worker and the general public.

This, I believe, in a general way and brief time explains my stand relative to labor.

I have wandered somewhat from the subject of the 30-hour week bill, which I had the honor and privilege of signing a petition to take the bill from further consideration of the committee, and when 145 names have been attached to the petition it will bring the bill before the House to have the Members, by roll call, show their true status. Certainly no man should hesitate to cast his vote upon his own full convictions without the fear of what anyone thinks. It is utterly ridiculous to think of Members of the House being in the frame of mind that they will hesitate to vote on questions of national importance such as this bill is. I have signed the petition to discharge the committee from further consideration of the Crosser bill, giving to the railroad men the 6-hour day and I most certainly hope we will not adjourn until we have had an expression upon both these measures.

In final conclusion no permanent progress can be made until these 10,000,000 men are put back to work, and that cannot be done except by shortening the hours of labor and at the same time paying decent living wages for those shorter hours of work. By this procedure employment would be spread so that again we will give to those people what this country guarantees to people who are willing and anxious to work—a right to make a living for their families and themselves.

FEDERAL INSPECTION OF GRAIN—A COSTLY LUXURY FOR THE FARMERS

Mr. LEMKE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a statement made by a former Member of this House, Mr. Knute Wefald.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEMKE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by a former Member of the House, Hon. Knud Wefald, Railroad and Warehouse Commissioner of Minnesota:

While Congress is fussing with the farm question and has a hard time in deciding what to do relative to new legislation, there are laws upon the statute books of long standing that ought to be

fearlessly and honestly administered in favor of the farmers, but which under the new deal work more harm to the farmers' interest than under the old deal.

It means more to the farmer to get every cent of what his products are worth than it does to be paid for wanton destruction of his products.

The United States Grain Standards Act, under which the farmer markets his grain, is being misinterpreted. Therefore I believe it timely that the attention of Congress be called to this matter, especially regarding the marketing of barley in the Northwest.

The United States Grain Standards Act was passed by Congress as an added protection for the farmers in the marketing of their grain. It conferred upon the Department of Agriculture the power to promulgate uniform grain grades and authorized the Secretary of Agriculture to act on appeals to him when disputes arise as to the correct grading of grain.

This law never intended that Federal inspection of grain should altogether supersede and displace inspection of grain in States. It was intended as an added protection for the farmers' interest.

The State of Minnesota has, and has had for many years, good and sufficient laws relative to grading, inspection, and marketing of grain, under which the farmers' interests are protected. Minnesota has the most highly trained and the most efficient grain inspection department to be found anywhere in the United States.

The personnel of this department has been carefully selected over a long period of years; it has been and is now free from political influence; the Minneapolis office of this department can be rated as the foremost grain inspection unit in the United States, both in regard to personnel as well as mechanical equipment.

I am familiar with its workings, as it is a department of the Minnesota Railroad and Warehouse Commission, where I serve as one of the commissioners.

Under the laws of the State of Minnesota, two State boards of grain appeals of three members each for each of the terminal markets of Minneapolis and Duluth was set up, long before the United States Grain Standard Act was passed. The members of this board are appointed by the Governor, who selects them for their experience in grain matters. To these appeal boards are referred all disputes between buyers and sellers over grades placed on grain by the State inspection department.

The Federal Department of Agriculture maintains an inspection set-up at both Minneapolis and Duluth, which is supervised by the Bureau of Agricultural Economics at Washington, D.C. It was intended by the sponsors of the United States Grain Act that the Federal inspection set-up should function as a last resort. If the buyer was dissatisfied with the grade given, he would appeal to the State board of grain appeals, and if still dissatisfied he would appeal to the Federal inspection department, whose decision would be final.

Instead of exercising its function, as intended by the law, the Federal inspection set-up, especially at Minneapolis, has a large and unwarranted force of men at work as inspectors who, often without occasion, invade the quarters of the State inspection departments, undertaking to instruct State grain inspectors, who know much more about the business of grading grain than do most Federal grain inspectors; threatening State inspectors who honestly cannot conform to their way of thinking, with revocation of their Federal license, which all State inspectors and members of the appeal board must have in order to qualify under the Federal law.

The last year and a half has been a very trying time for the Minnesota State grain inspectors and the members of the State grain appeal board due to continual controversy with the Federal inspection set-up. The main controversy has been the interpretation of the Federal grades on barley and the injustice of the barley grades themselves.

With the advent of legal beer, barley became a valuable grain. Instead, as grades on barley have been promulgated and interpreted the last 2 years, it has played into the hands of the processors of barley, the maltsters.

A grade of "scabby" barley was promulgated under which practically all discoloration in barley was classed as "scab." This definition was put on barley as a penalty against it, for malting purposes. The minute the designation "scab" was put on a car of barley it reduced the price of such barley from 2 to 10 cents per bushel. Yet most of this barley was eventually bought by the maltsters at the reduced price and used for the making of malt.

The Minnesota Grain Appeal Board, being men of long experience with barley, knew that very little of the barley marketed in Minneapolis (only a very little barley is marketed in Duluth) was affected by "scab" fungus, had extensive examinations made of many of the worst samples submitted to them at the Minnesota University Farm School by outstanding chemists of national reputation, who upheld the appeal board in its contention. Numerous feeding tests, wherein some of the supposedly most "scabby" barley was fed to hogs at the university farm school, were also made, and the "scabby" barley, so-called, proved itself to be of as good feed quality as barley that did not come under the ban of "scab" grade.

The State inspectors, being intimidated by Federal inspectors, had to tighten up on "scab" designation; the number of appeals to the State grain appeal board increased, and these men courageously protected the interests of the farmers, all the while protesting to the Bureau of Agricultural Economics against the unjust "scab" designation.

In the summer of 1933, for the 1932-33 crop year, the designation "scab" was changed to "blight", but to this was added "or mold", the result of which was the handicap for ordinary barley was increased.

The courageous stand of the State appeal board saved thousands and thousands of dollars for barley producers; in each carload from which the "scab" designation was taken it meant a saving of from \$20 to over \$100 a carload, according to the size of the car and the penalty intended, while the interest of the maltsters seems to have been uppermost in the minds of the Federal people. During the crop year 1932-33 the Federal people changed the method of inspecting barley four times.

Let it be said for the bulk of the buyers for the maltsters that even they consider the grades on barley and the inspection as unjust; but if they can buy barley at a discount, and especially when Federal grading rules practically say that they shall buy it at a discount, there is not much justification for them to do otherwise.

Some of the oldest and most experienced buyers of malting barley have told me that such barley as has been marketed in Minnesota during the last 2 years is exceptionally good malting barley. In no branch of either State or Federal Government have I ever met such an overbearing, bureaucratic haughtiness as that evidenced by the Bureau of Agricultural Economics in the controversy over grades on barley and inspection between it and the Minnesota inspection set-up.

In its pedantry, it has embarked upon a rule-or-ruin policy and a policy of expansion of its own power, wholly inconsistent with the public good. The United States Grain Standards Act was not passed with any thought of its being used as a club over the farmer's head in order to make him produce better grains of various kinds. Yet, in this case with barley, a penalty is placed on such grain as is not absolutely perfect for the purpose of making the farmers raise "perfect" barley, the Department working hand in hand also with various associations who do not represent the farmers.

When the Minnesota State Grain Appeal Board insisted upon interpreting the grading laws, both State and Federal, in conformity with their conscience, as it was their sworn duty to do, the Secretary of Agriculture, at the request of the Bureau of Agricultural Economics, revoked the license to inspect barley for the Minneapolis members of the appeal board, in spite of the fact that the grain trade stood solidly behind the appeal board. And the grain trade must understand grain.

The appeal board members demanded a hearing, which was finally given them; but as I was personally present, I can testify that the hearing was a star-chamber proceeding, presided over by an employee of the Bureau, who was biased against the appeal board members in the extreme. Only as a courtesy to the Governor of Minnesota, who appeared at one session of the hearing, was the main testimony of the defendants admitted; but all of this testimony seems to have been disregarded in the findings.

With the many great and pressing problems weighing down on the Secretary of Agriculture, it is reasonable to expect that a seemingly small matter, like the one I have here called to your attention, cannot come to his personal attention, so he can familiarize himself with it; yet it is no small matter for the farmer, especially with its ramifications into the future; nor is it of small importance with respect to State rights versus Federal prerogative. There should be a limit to the extension of Federal bureaucracy.

The members of the State appeal board have as yet not had their barley inspector's licenses restored to them, but they should not have to be under a cloud for having performed their sworn duty, nor should the efficient operation of the State of Minnesota's grain inspection be hampered.

However, there is an innate sense of justice in the American people, sometimes even in the marts of trade. Such is the confidence of the grain trade, from the country elevator men to the dealers in the terminal markets, in Minnesota inspection of grain, that since the State appeal board members were punished by the Department of Agriculture, the trade is losing faith in Federal inspection.

I herewith present a statement by the Minnesota State Board of Grain Appeals relative to the controversy I have described, which is a very sober and enlightening statement:

BUREAUCRACY AT ITS WORST

"The Bureau of Agricultural Economics caused Hon. Henry E. Wallace, Secretary of Agriculture, to wire the members of the state board of grain appeals, consisting of Otto A. Zimmerman, M. E. Jerdee, and C. M. Gislason, October 5, 1933, that their licenses to inspect barley had been temporarily suspended, they supposedly having misgraded 16 cars of barley between September 5 and October 4.

"The board requested an oral hearing, which was granted, and was held at 404 Flour Exchange, Minneapolis, Minn.

"There, of course, was no truth in the charges, as the board has always conscientiously performed its duties and applied the standards as promulgated by the Bureau of Agricultural Economics. But, as was expected by everyone familiar with the conditions, the board was found guilty and the license permanently suspended.

"The real fact of the matter is that the Bureau of Agricultural Economics was very much at sea itself regarding the inspection of barley as shown by testimony; that the method of inspecting barley was changed four different times in the crop year of 1932 to 1933. The methods orally prescribed were haphazard and led to heavy losses to producers and shippers of barley, showing losses

from 2 cents to 10 cents a bushel. The reason for those many changes were undoubtedly due to the evidence the state board of grain appeals, Minneapolis, gathered through plating tests made at the Agricultural School of the University of Minnesota, which showed that barley which was picked as 100-percent scab by the inspectors under the supervision of the Federal Inspection Department, showed only from 3 percent to 43 percent of scab, most of the samples ranging from 5 percent to 20 percent. In order to cover up their inability to pick scab the last change made in April, when the name 'scab' was changed to 'blight', they added to the 'blight' 'and/or mold.' By that act they admitted that they had been in error in their former interpretations.

"The Federal Inspection Department was not consistent in its grading, as its records will show that their inspectors and the Board of Review at Chicago differed as much as 4 percent and 5 percent, and possibly more, on the same sample inspected.

"It was also shown by evidence that the Federal inspectors at Minneapolis varied as much as 2 percent on the same sample, picking two different portions of the same sample. All this would indicate that the Federal inspectors were not competent to accuse the Minneapolis State Board of Grain Appeals of not having properly picked this barley when they themselves have been incapable of doing it, and considering that the State board of grain appeals worked an entirely different sample than the Federal inspectors and Board of Supervisors.

"The portion of the sample picked at that time contained only the amount of blighted barley as indicated by their certification. The Federal contact man between the Federal inspection and the Minnesota State inspection and the board of appeals, found some of the samples that he picked with members of the board to contain just the same amount as the board had picked; while other samples showed a small fraction of 1 percent difference, which can be easily accounted for by being another part of the sample, and as the Federal inspector's testimony showed might vary as much as 2 percent. And the fact, too, that the Federal inspectors and the board of review, Chicago, vary as much as 5 percent on the same sample, it would seem that they are in rather a poor position to assume the attitude that they have.

"The Federal supervisor and contact man between the Federal and the Minnesota State Inspection Departments, testified at the hearing to the effect that the State board of grain appeals at Minneapolis had made very few changes in the month of August and that he only noticed that the board was getting more lenient in the latter part of September. The records show an entirely different situation. In August the State board of grain appeals removed the blight notation on 66.66 percent of the barley that was submitted to them for judgment, and in the month of September it showed that the board had tightened up very materially and removed the blight notation on only 48 percent of the cars submitted to them for judgment. The records also disclose that the State board of grain appeals removed the blight notation as follows:

	Percent
October 1932.....	42.85
November 1932.....	50.00
December 1932.....	84.00
January 1933.....	96.67
February 1933.....	39.13
March 1933.....	95.00
April 1933.....	78.72

"The Federal Inspection Department did not take action during those months, which, in the face of what happened in October, proved positively that they were not sure of the ground on which they were operating. The producers and shippers of the Northwest were saved these enormous losses by the action of the board of State grain appeals at Minneapolis, which protected the producers and shippers in this market. The board's action was approved by the fact that buyers and sellers accepted the findings of the board. Producers and shippers that were compelled to use other markets that did not have an active, competent board to protect them were compelled to assume the losses of from 2 cents to 10 cents a bushel, and there is plenty of competent evidence to prove this contention. The Minneapolis market received during November 1933, December 1933, January, February, and up to March 26, 1934, 4,171 cars of barley. The elevators at Minneapolis during that same period loaded out 2,910 cars—total, 7,081 cars—and only 17 cars out of this total were appealed for Federal inspection, the trade evidently having lost confidence in the Federal inspection, as their experience in the past has been that the Federal inspection is constantly degrading, and so are selling mostly cars that they feel are undergraded by sample. The inspectors, working under duress, as they are (as was testified to at the hearing), makes it impossible to compute the losses that the producers and country shipper are suffering.

"On August 11, 1916, the Congress of the United States passed the United States Grain Standards Act. Section 6 reads as follows:

"That whenever standards shall have been fixed and established under this act for any grain and any quantity of such grain sold, offered for sale, or consigned for sale, or which has been shipped, or delivered for shipment in interstate or foreign commerce, shall have been inspected and a dispute arises as to whether the grade as determined by such inspection of any such grain in fact conforms to the standard of the specified grade, any interested party may, either with or without reinspection, appeal the question to the Secretary of Agriculture, and the Secretary of

Agriculture is authorized to cause such investigation to be made and such tests to be applied as he may deem necessary and to determine the true grade."

"Congress undoubtedly never intended that the Federal Inspection Department should interfere with the grades as established on grain when there was no dispute between buyer or seller about the grain in question, taking for granted that both buyers and sellers are competent to know that the proper grade has been placed on same.

"Only 2 of the 16 cars in question were appealed to the Federal. On the other 14 cars buyers and sellers testified that the grade placed on the cars by the Minnesota State Board of Appeals was satisfactory, and they further proved it by the prices they paid for these cars. Some of them, notwithstanding they only graded No. 3 barley, sold within 1 cent to 3 cents of the very top of the market for malting barley of the cars that were of malting variety. Of the cars that were of the Trebi variety, only considered feed, brought way over the top for the closing price of feed barley on the day the cars were sold. All of the men, both buyers and sellers, are men of long years of experience and certainly know what they are doing."

NORTHWEST FARMERS HAVE BEEN PENALIZED MILLIONS OF DOLLARS BY DEPARTMENTAL IGNORANCE

"The name, 'Bureau of Agricultural Economics', is suggestive to the public mind not familiar with the true facts that this Bureau is a division of the United States Department of Agriculture, whose object is to aid the farmers of the country in their economic problems. This Department, however, as it has been administered by the men who have been in charge for the past 10 to 14 years, has been anything but a help to the producers of grain in their economic problems.

"Those men who are familiar with the true situation have expressed themselves as being convinced that the Bureau of Agricultural Economics has cost the producers of grain in the Northwest many millions of dollars through uncertain experimentation in the promulgation of Federal grades on grain.

"In 1928 buyers of American-grown barley in Germany reported that an epidemic had occurred among the hogs of that country, and that it had been determined that the said epidemic was the result of feeding American-grown barley which was infected with some disease. The United States Bureau of Agricultural Economics immediately attributed this epidemic to so-called 'scabby' barley and ordered the licensed inspectors to grade all barley containing one or two pinkish-colored kernels to approximately a 10-pound sample, to be graded 'sample grade barley, scabby.'

"This procedure was strenuously objected to by the Minnesota State Board of Grain Appeals at Minneapolis but was, nevertheless, carried out for several months, at the end of which time the Bureau decided that none of the barley from the Northwestern States was infected badly enough to be injurious for feeding purposes. The Department accordingly modified their instructions to the inspectors at Minneapolis and Duluth, and northwestern barley again sold at a premium over barley grown in other sections of the country. The result of this hysteria on the part of the Bureau of Agricultural Economics, before they were forced to admit their error in judgment, was the loss of thousands of dollars to northwestern producers of barley.

"This scabby-barley scare was again revived in 1932, when the claim was made by the Bureau that barley infected with scab was injurious to livestock, and especially to hogs. Another verbal order was given to all licensed inspectors to grade all barley containing 6 to 8 pinkish-colored kernels to the handful 'sample grade.' After another stormy protest from the Minnesota State Board of Grain Appeals at Minneapolis as to this unjust method of grading, the Bureau again changed the procedure and issued verbal instructions which required the inspectors to weigh 100 grams of each sample and sift it over a large chess sieve. If 12 to 15 kernels of grayish or pinkish kernels fell through the sieve, the inspector was required to grade the car 'sample grade' and the barley was considered as of distinctly low quality.

"This resulted in a great many cars of good barley, and in some cases of choice malting barley, being graded 'sample grade', and a consequent reduction in price of from 2 to 10 cents per bushel to the northwest producers.

"Subsequent to this decidedly unfair ruling, Mr. Knud Wefald, member of the Minnesota Railroad and Warehouse Commission, and Otto Zimmerman, chairman of the Minnesota State Board of Grain Appeals, went to Washington to lay a protest before the Secretary of Agriculture and the Bureau of Agricultural Economics. They were supported in this protest by shippers' organizations and elevator associations of the Northwest, but no changes were made in the method of grading until a recent new order which establishes grades for the crop year of 1934-35. Under these new grading rules, the bureau has again changed the method for barley grading, the rules providing that the blighted notation shall not be used unless there is more than 4 percent of so-called 'blight' and/or mold. Thus they have now more than doubled the percentage which was previously being used.

"When the Bureau of Agricultural Economics took over the inspection of grain in 1916, the Minnesota State Grain Inspection Department was one of the oldest departments of its kind in the United States, having been established in 1885. Minnesota grades were recognized and accepted in the world markets, and most of the inspection departments in the United States had adopted them.

"The Minnesota grades on Northern Spring wheat provided for numerical grades from No. 1 Northern Spring to No. 4 Northern

Spring. These grades also provided that 'all spring, durum, and western wheat containing 15 percent or more of moisture, or in a heating condition, or otherwise unfit for store, shall be classed "no grade" with inspector's notation as to what grade same would be if in condition. For example: No grade No. 1, no grade No. 2, no grade No. 3, etc., with a notation of the moisture content.' Thus wheat containing less than 15 percent of moisture was graded No. 1 if other factors permitted. And unless the percentage of moisture was 15 percent or more, no wheat was penalized by a no-grade notation.

"When the Federal grades became operative in 1917 they required that each numerical grade from 1 to 5 should have a maximum moisture content. This content on No. 1 wheat was established at 13½ percent, on No. 2 at 14½ percent, on No. 3 at 14½ percent, on No. 4 at 15½ percent, and on No. 5 at 15½ percent. All wheat containing more than 15½ percent moisture was graded 'sample grade.' These moisture limitations were established over the objections of the Minnesota Railroad and Warehouse Commission and the Minnesota State Board of Grain Appeals, who contended that the moisture-testing apparatus was not sufficiently accurate to draw the line so finely in moisture content between the various numerical grades.

"The Minnesota Railroad and Warehouse Commission and the Minnesota State Board of Grain Appeals maintained also that wheat could be safely stored, especially in the Northwestern States, with a moisture content of 15 percent. They were, however, willing to compromise on a 14½-percent basis, but the Federal grades went into operation, and wheat containing 15 percent moisture was thereafter graded No. 4, whereas it had previously been placed in grade No. 1 if other factors permitted.

"Under the new grades now established by the United States Bureau of Agricultural Economics, and which became effective on July 2, 1933, the Bureau has now, after 17 years of operation, changed its grades on wheat insofar as moisture content is concerned, so that they nearly conform to the grades which were used by the Minnesota State Inspection Department prior to the time when the Federal grades became effective.

"The Bureau now justifies this change in Miscellaneous Publication No. 173 of the United States Department of Agriculture of September 1933, on page 56, under the heading of 'Moisture Content' in the following words:

"The facts developed from a careful study of the use and application of the grade factor "moisture content" in the official grain standard, justify a recommendation to eliminate moisture content as a factor for the determination of numerical grade in the standards for wheat, rye, oats, feed oats, mixed feed oats, and barley."

"And by the further statement on page 57 of the same publication, under the heading of 'Moisture Specifications in Relation to Inspection Efficiency':

"Four principal reasons have motivated the Bureau in making these recommendations pertaining to the grade factor of moisture content. The first and probably the most important of these reasons is that of inspection efficiency and intermarket uniformity in the application of the standards.

"Inspection experience has shown that considerable variation in the grades assigned to wheat by different markets or inspectors is caused by the one-half-percent moisture-content intervals between grades 1 and 2, and between grades 2 and 3, of the present official wheat standards. These moisture-content intervals between the important contract grades of wheat are too narrow for practical application by inspectors. In the operation of the Brown-Duvel moisture-testing apparatus a constant possible error factor of about 0.3 percent is present even with standardized equipment and careful management, whereas with apparatus that may be slightly nonstandard, or apparatus operated with variable gas quality or pressure or with careless management, the error factor may be, and sometimes is, as great as 0.5 or 0.6 percent. It is questionable, also, whether the more modern electric moisture-testing equipment can be relied on to eliminate the possible error factor in making moisture determinations below that of 0.3 percent. For these very practical reasons, the one-half-percent moisture-content intervals between some of the wheat grades are at times a source of considerable nonuniformity in the application of the wheat standards."

"In other words, the United States Bureau of Agricultural Economics have now, after 17 years, come to realize that the contention of the Minnesota Railroad and Warehouse Commission and the Minnesota State Board of Grain Appeals were correct. They are, however, probably overlooking the fact that for 17 years the producers in the Northwest have been penalized millions of dollars in the reduced prices which they have received for their grain, in addition to the enormous expense which they have had to bear as taxpayers to pay the expenses of operating the Bureau of Agricultural Economics in its 17 years of experimentation.

"Thus, if it takes this Bureau the same length of time to discover that they are entirely wrong in their condemnation of perfectly good barley as being scabby or blighted, the producers will continue to suffer and pay the expenses for another 17 years."

THE AMERICAN LEGION IN POLITICS AND REPUBLICANS COMING INTO DEMOCRATIC PRIMARIES

Mr. ALLGOOD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ALLGOOD. Mr. Speaker, I am taking this opportunity to let my Democratic colleagues in the House know what took place in the primaries recently held in the Fifth District of Alabama. I am doing this so you may be on the look-out and prevent such unfair tactics being used against you as were adopted by the American Legion and the Republicans against me.

The American Legion claims it is not in politics, but I want to tell you that the American Legion is in politics and that in my case its agents stooped to very unfair and unscrupulous methods which helped to defeat me. In Alabama ex-service men are exempt from payment of poll tax; this gives them an undue advantage over the younger voters.

On February 20, 1934, the Alabama Legionnaire, the official publication of and owned exclusively by the American Legion, whose editor is D. Trotter Jones, of Montgomery, Ala., published what was supposed to be the vote of Alabama Congressmen on veterans' legislation during the Seventy-second and Seventy-third Congresses. Our votes on 11 questions were recorded; however, the main 2 were the Rankin widows and orphans bill and the President's economy bill. The Alabama Legionnaire records my vote on the Rankin widows and orphans bill as "No." The CONGRESSIONAL RECORD of May 2, 1932, page 9695, shows that I voted for this measure. On April 11, 1934, one of my opponents, Maj. Joe Starnes, of Guntersville, Ala., a legionnaire, reproduced the record of our vote on veterans' legislation, undermarked, "Paid political advertisement." It was sent to the legionnaires through the entire district, by F. A. Miller, of Gadsden, Ala., formerly commander of the American Legion post at Gadsden. Mr. Miller stated in a letter he sent with the record of our votes that I had the worst voting record against the ex-service man of any Alabama Congressman and that with my voting record he did not see how any ex-service man in the district could support me. On May 26, 1934, I wired D. Trotter Jones, editor of the Alabama Legionnaire, to advise me who furnished him with the information that I voted against the Rankin widows and orphans bill. I received a wire from him that Col. John Thomas Taylor, vice chairman national legislative committee of the American Legion, Washington, had furnished him with this information.

On May 31, 1934, I wired Colonel Taylor and had a telegram from Kathlyn Burch, secretary, stating:

Colonel Taylor out of city. Checked back over record and find stenographic error in listing ALLGOOD's record. He voted "yes" for RANKIN's widows and orphans bill.

If it was an error, it was a grievous one. It does seem to me that voluntary information of this importance should have been doubly checked before being released by a man heading so powerful a lobby as Colonel Taylor. I cannot, of course, prove collusion on this matter. However, collusion is implied, because Major Starnes, of Guntersville, Ala., announced for Congress almost the identical time this statement was published by the Alabama Legionnaire. Major Starnes should have checked my vote on such important matters with the CONGRESSIONAL RECORD before he used it for political advertisement. You can take a few drops of ink and darken a gallon of water. The same principle holds true in a political campaign. A misstatement of the above nature will poison the minds of hundreds of voters. The leaders of the American Legion in my congressional district also laid great stress on the President's economy bill. Please note they named it the "President's" economy bill. The truth of the matter is the American Legion leaders are disgruntled with President Roosevelt's stand on veteran legislation and are and will continue to do everything in their power to defeat Members of Congress who voted for the economy bill. They will also do everything in their power to defeat our President for reelection in 1936. The influence of the American Legion alone, however, did not defeat me. The Republicans of my district played as important part in my defeat as did the American Legion. There are eight counties in my district, and a Republican primary is held in but one, which is De Kalb. The Republicans in the other counties came into the primaries by the hundreds. During

the six terms I have been in Congress I have always had Republican opposition. My Republican opponents in the general elections received from ten to fifteen thousand votes. In Randolph and Cleburne Counties the vote is about equally divided between the Democrats and Republicans.

Two years ago the chairman of the Democratic executive committee in Randolph County requested me to make some speeches in the county to help elect the local Democratic ticket. I did so. Last year charges were brought against a Republican postmaster at Roanoke, who is the brother of the chairman of the Republican State executive committee. I helped to oust the Republican from office. In the run-off primary the Republicans in these two counties remembered my activities along the above-mentioned lines and voted solidly against me.

In the first primary in Randolph County I received approximately 1,600 votes, former Senator Heflin received 1,000, and Major Starnes 900. In the run-off I still received 1,600 and Major Starnes 1,900. In other words, he received the entire Heflin vote, which was the Republican and independent vote. In Cleburne County in the first primary I received approximately 800 votes, former Senator Heflin 700, and Major Starnes 600. In the run-off primary I still received my 800 votes and Major Starnes received 1,300 votes.

The entire independent and Republican vote, which was at least 7,500 in this district, went to Starnes in the run-off. I was defeated by 2,000 votes. My vote over Major Starnes in the first primary was 2,300. The Republicans voted to defeat me in order to discredit the Roosevelt administration. Newspapers throughout the country have carried news items stating an Alabama Congressman who had supported Roosevelt had been defeated.

The Republican leaders in Alabama have shown heretofore their opposition to President Roosevelt's program. On July 10, 1933, Col. Oliver D. Street, of Guntersville, Ala., Republican national committeeman from Alabama, addressed letters to Republican officeholders and leaders throughout the entire State, stating:

Frantic appeals are being made by the Democratic bosses to the people of Alabama to vote for repeal of the eighteenth amendment on the ground that it is a Democratic measure. The liquor lash is being laid hard on the backs of Democrats in a desperate effort to drive them to vote for liquor on the plea that President Roosevelt desires it. Well, if repeal is a Democratic measure and if Roosevelt desires it, this should be sufficient proof that it is not a Republican measure and no Republican has any business voting for it.

This statement shows the animus of the Republicans in Alabama against Democratic Congressmen and President Roosevelt's program. We should have a State law in Alabama which would require a voter to register in the general election giving his politics. If he votes a Republican ticket in November, he should not be allowed to vote in the Democratic primary the following year.

In making my last statement of 12 years of service as a Member of Congress from Alabama, only 15 months of which time was under a Democratic President, I will say I have supported every single relief measure advocated by President Roosevelt. I aided in putting over the cotton reduction program and the loan which caused cotton to rise from 6 to 12 cents a pound. Muscle Shoals is no longer a political football. The Tennessee Valley Authority is now developing this property and it will ultimately revolutionize our entire section. When President Roosevelt came to Alabama to make an inspection of this property, I accompanied him on his special train. And when the bill was signed creating the Tennessee Valley Authority I was given one of the pens used by the President.

During the past year I was instrumental in securing a soil-erosion project for Tallapoosa and Chambers Counties. More than a half million dollars will be spent on this project in the next 5 years. Three of the eight C.C.C. camps of the Interior Department in the State were located in my district.

For many years I have tried to get favorable action by the War Department to open the Coosa River. Last spring I attended a meeting at Gadsden, Ala., at which \$900 was

raised, and to which I contributed, to provide funds for an engineer to secure evidence to set aside an adverse report on the opening of the river. This adverse report has practically been set aside, and if my successor gives this matter the proper attention the Coosa River will be opened for navigation within a short time. I have been working for appropriations for post-office buildings, and am pleased to advise that \$85,000 has been set aside to remodel the Gadsden office, \$68,000 for building a Federal building at Fort Payne, \$63,000 for a Federal building at Guntersville, and \$65,000 for a Federal building at Roanoke. This is four projects for my district, and the entire State of Alabama has been allotted only seven in addition to the appropriations I secured for my district. I am still hopeful of securing an appropriation for a post office at Alexander City, Ala.

In conclusion, I will say that I received over 2,000 more votes in the run-off primary than was ever accorded me before. I feel confident that had the Republicans been barred I would have been nominated. I have no recrimination against the Democrats, and take this opportunity to thank my thousands of Democratic friends who stood so loyally by the Roosevelt administration in the recent primary.

NATIONAL MOTOR VEHICLES THEFT ACT

The SPEAKER laid before the House the following Senate concurrent resolution:

The Clerk read as follows:

Senate Concurrent Resolution 16

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate is authorized and directed in the enrollment of the bill (S. 2845) entitled "An act to extend the provisions of the National Motor Vehicle Theft Act to other stolen property" to strike out "1929" where it appears in section 7 thereof and to insert in lieu thereof "1919."

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

LEAVE TO ADDRESS THE HOUSE

Mr. McLEOD. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

Mr. BYRNS. Mr. Speaker, I object.

SPEAKER'S SUSPENSION LIST FOR MONDAY, MAY 21, 1934

The SPEAKER laid before the House the following suspension list for Monday next:

H.R. 7290 (Private, 818). A bill authorizing the President to present a gold medal to George M. Cohan.—Mr. KELLER (Mr. PEYSER).

H.J.Res. 341 (Union, 384). Joint resolution authorizing an appropriation for the participation of the United States in the international celebration at Fort Niagara, N.Y.—Mr. ANDREWS of New York.

H.R. 7667 (Union, 314). A bill to provide for the measurement of vessels using the Panama Canal, and for other purposes.—Mr. LEA of California.

S. 2692 (on table). A bill relating to the record of registry of certain aliens.—Mr. DICKSTEIN.

S. 3397. A bill to amend the laws relating to the length of tours of duty in the tropics and certain foreign stations in the case of officers and enlisted men of the Army, Navy, and Marine Corps, and for other purposes.—Mr. SPENCE.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 211. An act for the relief of John A. Rapelye;

H.R. 276. An act to authorize the placing of a bronze tablet bearing a replica of the Congressional Medal of Honor upon the grave of the late Brig. Gen. Robert H. Dunlap, United States Marine Corps, in the Arlington National Cemetery, Va.;

H.R. 328. An act for the relief of E. W. Gillespie;

H.R. 473. An act for the relief of Irene Brand Alper;

H.R. 916. An act for the relief of C. A. Dickson;

H.R. 1197. An act for the relief of Glenna F. Kelley;

H.R. 1211. An act for the relief of R. Gilbertsen;
 H.R. 1212. An act for the relief of Marie Toenberg;
 H.R. 4516. An act for the relief of B. Edward Westwood;
 H.R. 4533. An act for the relief of the widow of D. W. Tanner for expense of purchasing an artificial limb;
 H.R. 4973. An act for the relief of G. C. Vandover;
 H.R. 5284. An act for the relief of the Playa de Flor Land & Improvement Co.;

H.R. 5405. An act for the relief of Nicola Valerio; and
 H.R. 5950. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 258. An act for the relief of Wallace E. Ordway;
 S. 1982. An act to add certain lands to the Mount Hood National Forest in the State of Oregon;

S. 2080. An act to provide punishment for killing or assaulting Federal officers;

S. 2249. An act applying the powers of the Federal Government, under the commerce clause of the Constitution, to extortion by means of telephone, telegraph, radio, oral message, or otherwise;

S. 2252. An act to amend the act forbidding the transportation of kidnaped persons in interstate commerce;

S. 2253. An act making it unlawful for any person to flee from one State to another for the purpose of avoiding prosecution in certain cases;

S. 2575. An act to define certain crimes against the United States in connection with the administration of Federal penal and correctional institutions and to fix the punishment therefor;

S. 2841. An act to provide punishment for certain offenses committed against banks organized or operating under laws of the United States or any member of the Federal Reserve System; and

S. 3364. An act for the relief of G. T. Fleming.

OLD-AGE PENSION

Mr. PALMISANO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 4548) to provide old-age securities for persons over 60 years of age residing in the District of Columbia, and for other purposes, and pending that motion I move that debate upon the bill do now close, and on that I demand the previous question.

Mr. BLANTON. Mr. Speaker, I make the point of order that the motion is out of order because time has already been allotted in the committee to certain gentlemen whose full time has not expired.

The SPEAKER. The House can close debate at any time after debate has been had in the Committee of the Whole.

Mr. BLANTON. Then I ask for a division of the question.

The SPEAKER. The gentleman is entitled to a division. The question is on ordering the previous question.

The question was taken and, on a rising vote, there were—ayes 110, noes 9.

Mr. BLANTON. Mr. Speaker, I object to the vote because it shows that there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. It is evident that there is no quorum present.

ADJOURNMENT

Mr. PALMISANO. Mr. Speaker, I move that the House do now adjourn.

The question was taken.

The SPEAKER. The ayes have it, and the House, pursuant to House Concurrent Resolution 37, stands adjourned until Sunday, May 20, 1934, at 11 o'clock a.m., for the purpose of holding commemoration services.

Accordingly (at 2 o'clock and 44 minutes p.m.) the House, pursuant to House Concurrent Resolution 37, adjourned until Sunday, May 20, 1934, at 11 o'clock a.m.

EXECUTIVE COMMUNICATION

474. Under clause 2 of rule XXIV a communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of Commerce for the fiscal year 1934 in the sum of \$7,500 and for the fiscal year 1935 in the sum of \$306,550, amounting in all to \$314,050 (H.Doc. No. 373), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. AYERS of Montana: Committee on Indian Affairs. H.R. 85. A bill to extend Federal aid to certain school districts in the State of North Dakota upon condition that the public-school buildings benefited shall be available to Indian children of Fort Berthold Indian Reservation; with amendment (Rept. No. 1658). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS of Montana: Committee on Indian Affairs. H.R. 7255. A bill for the relief of the Winnebago Indians residing in school district no. 17, Thurston County, State of Nebraska; with amendment (Rept. No. 1659). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS of Montana: Committee on Indian Affairs. H.R. 7256. A bill for the relief of the Omaha Indians residing in school district no. 16, Thurston County, State of Nebraska; with amendment (Rept. No. 1660). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUCHANAN: Committee on Appropriations. House Joint Resolution 345. Joint resolution to provide funds to enable the Secretary of Agriculture to carry out the purposes of the acts approved April 21, 1934, and April 7, 1934, relating, respectively, to cotton and to cattle and dairy products, and for other purposes; without amendment (Rept. No. 1661). Referred to the Committee of the Whole House on the state of the Union.

Mr. JAMES: Committee on Military Affairs. H.R. 8728. A bill authorizing the Secretary of War to lease or to sell certain lands and buildings, known as Camp Eagle Pass, Tex., to the city of Eagle Pass, Tex.; without amendment (Rept. No. 1664). Referred to the Committee of the Whole House on the state of the Union.

Mr. COFFIN: Committee on Military Affairs. H.R. 8852. A bill to amend sections 1, 2, and 3 of the act entitled "An act to provide for the commemoration of the termination of the War between the States at Appomattox Court House, Va.", approved June 18, 1930, and to establish the Appomattox Court House National Historical Park, and for other purposes; without amendment (Rept. No. 1665). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 387. Resolution for the consideration of H.R. 9623; with amendment (Rept. No. 1668). Referred to the House Calendar.

Mr. CROSSER of Ohio: Committee on Interstate and Foreign Commerce. H.R. 9618. A bill authorizing the Sistersville Bridge Board of Trustees to finance, construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va.; with amendment (Rept. No. 1669). Referred to the House Calendar.

Mr. ANDREW of Massachusetts: Committee on Naval Affairs. H.R. 9145. A bill to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934; without amendment (Rept. No. 1670). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine, Radio, and Fisheries. H.R. 8930. A bill to provide for the construction and operation of a vessel for use in research work with respect to ocean fisheries; without amendment (Rept. No.

1671). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEA of California: Committee on Interstate and Foreign Commerce. H.R. 9563. A bill authorizing the county of Wahkiakum, a legal political subdivision of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across the Columbia River between Puget Island and the mainland, Cathlamet, State of Washington; with amendment (Rept. No. 1672). Referred to the House Calendar.

Mr. SUMNERS of Texas: Committee on the Judiciary. S. 2647. An act prescribing the procedure and practice in condemnation proceedings brought by the United States of America, conferring plenary jurisdiction on the district courts of the United States to condemn and quiet title to land being acquired for public use, and for other purposes; with amendment (Rept. No. 1673). Referred to the Committee of the Whole House on the state of the Union.

Mr. SEARS: Committee on Naval Affairs. H.R. 8539. A bill to authorize the attendance of the Marine Band at the United Confederate Veterans' 1934 Reunion at Chattanooga, Tenn.; without amendment (Rept. No. 1678). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H.R. 9234. A bill to amend section 601(c)(2) of the Revenue Act of 1932; without amendment (Rept. No. 1679). Referred to the Committee of the Whole House on the state of the Union.

Mr. LOZIER: Committee on the Census. H.R. 9391. A bill to provide for a census of unemployment, employment, and occupations to be taken as of November 12, 1934, and for other purposes; without amendment (Rept. No. 1680). Referred to the Committee of the Whole House on the state of the Union.

Mr. KNUTE HILL: Committee on Indian Affairs. H.R. 8662. A bill to modify the operation of the Indian liquor laws on lands which were formerly Indian lands; without amendment (Rept. No. 1681). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS of Montana: Committee on Indian Affairs. S. 236. An act to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children of the village of Queets, Jefferson County, Wash.; without amendment (Rept. No. 1682). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS of Montana: Committee on Indian Affairs. S. 1826. An act for expenditure of funds for cooperation with the public school board at Poplar, Mont., in the construction or improvement of public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.; without amendment (Rept. No. 1683). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS of Montana: Committee on Indian Affairs. S. 1977. An act to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation; without amendment (Rept. No. 1684). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS of Montana: Committee on Indian Affairs. S. 2769. An act to provide funds for cooperation with Marysville school district no. 325, Snohomish County, Wash., for extension of public-school buildings to be available for Indian children; without amendment (Rept. No. 1685). Referred to the Committee of the Whole House on the state of the Union.

Mr. STUBBS: Committee on Indian Affairs. S. 2874. An act authorizing the submission of an alternate budget for the Bureau of Indian Affairs; without amendment (Rept. No. 1686). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS of Montana: Committee on Indian Affairs. S. 2940. An act to provide funds for cooperation with the school board of Shannon County, S.Dak., in the construction

of a consolidated high-school building to be available to both white and Indian children; without amendment (Rept. No. 1687). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. THOMPSON of Illinois: Committee on Military Affairs. H.R. 1060. A bill for the relief of Charles Y. Wilson; without amendment (Rept. No. 1662). Referred to the Committee of the Whole House.

Mr. THOMPSON of Illinois: Committee on Military Affairs. H.R. 7612. A bill for the relief of James R. Davis, Jr.; without amendment (Rept. No. 1663). Referred to the Committee of the Whole House.

Mr. FITZPATRICK: Committee on Military Affairs. S. 1214. An act for the relief of Zinsser & Co.; without amendment (Rept. No. 1666). Referred to the Committee of the Whole House.

Mr. COFFIN: Committee on Military Affairs. S. 1654. A bill for the relief of George Yusko; without amendment (Rept. No. 1667). Referred to the Committee of the Whole House.

Mr. THOMPSON of Illinois: Committee on Military Affairs. H.R. 4778. A bill for the relief of Capt. Walter S. Bramble; without amendment (Rept. No. 1674). Referred to the Committee of the Whole House.

Mr. THOMPSON of Illinois: Committee on Military Affairs. H.R. 7172. A bill for the relief of George R. Slate; without amendment (Rept. No. 1675). Referred to the Committee of the Whole House.

Mr. THOMPSON of Illinois: Committee on Military Affairs. S. 521. An act for the relief of Henry Poole; without amendment (Rept. No. 1676). Referred to the Committee of the Whole House.

Mr. THOMPSON of Illinois: Committee on Military Affairs. H.R. 8614. A bill for the relief of Alice F. Martin, widow, and two minor children; without amendment (Rept. No. 1677). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARTER of California: A bill (H.R. 9663) amending sections 2 and 3 of the Intercoastal Shipping Act, 1933, for the purpose of further regulating common carriers by water in interstate commerce of the United States engaged in transportation by way of the Panama Canal; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H.R. 9664) to amend the Shipping Act, 1916, as amended, for the purpose of further regulating common carriers by water; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. BACHARACH: A bill (H.R. 9665) to authorize production credit associations to make loans to oyster planters; to the Committee on Agriculture.

By Mr. ZIONCHECK: A bill (H.R. 9666) to extend sick leave to all Government employees; to the Committee on Expenditures in the Executive Departments.

Also, a bill (H.R. 9667) to amend section 215 of the act of June 30, 1932 (Public Law No. 212, 72d Cong.), by restoring vacations to Government employees; to the Committee on Expenditures in the Executive Departments.

By Mr. CONNERY: A bill (H.R. 9668) to extend the operations of section 23 of Public Law No. 141, Seventy-third Congress, to all employees in any bureau or establishment of which employees are affected by such section, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. GREENWOOD: A bill (H.R. 9669) to provide for the control of the flood waters of the Wabash and White Rivers and their tributaries, the improvement of the navigability of such rivers, the storage and delivery of the

waters thereof for beneficial uses, the development of electrical power with such waters, the development of recreational and home-site areas, and for reforestation and conservation of natural resources, and for other purposes; to the Committee on Flood Control.

By Mr. MOTT: A bill (H.R. 9670) to provide a preliminary examination of the Willamette River and its tributaries in the State of Oregon with a view to the control of its floods; to the Committee on Flood Control.

By Mr. COLMER: A bill (H.R. 9671) providing for an examination and survey in Mississippi Sound in the vicinity of Pass Christian, Miss.; to the Committee on Rivers and Harbors.

By Mr. CELLER: A bill (H.R. 9672) to amend the Securities Act of 1933; to the Committee on Interstate and Foreign Commerce.

By Mr. PRALL: A bill (H.R. 9673) to amend legislation relating to the Reconstruction Finance Corporation; to provide for the introduction of its books and accounts in evidence; to broaden its powers to facilitate exports and imports; to lengthen the period for which it may make or extend loans; to empower it to adjust its claims against railroads under certain circumstances; to empower it to extend credit to maintain and increase employment, to assist in the refinancing and reduction of existing commercial and industrial debt burdens, and to facilitate the extension of credit to small concerns through existing channels; to permit it to advance further funds to protect loans already made to irrigation, drainage, and levee districts, and for self-liquidating projects; to authorize it to purchase evidences of indebtedness of mutual insurance companies, and to permit increases in the compensation of officers and employees of insurance companies in which the Corporation has subscribed preferred stock; to amend the Federal Reserve Act, as amended, relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes; to the Committee on Banking and Currency.

By Mr. BOLTON: A bill (H.R. 9674) to authorize the Secretary of Commerce to dispose of the lighthouse reservation in the village of Fairport, Ohio; to the Committee on Interstate and Foreign Commerce.

By Mr. REECE: A bill (H.R. 9675) amending Public Law No. 2, Seventy-third Congress, as amended; to the Committee on World War Veterans' Legislation.

By Mr. DISNEY: A bill (H.R. 9676) to regulate commerce in petroleum, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SABATH: Resolution (H.Res. 387) for the consideration of H.R. 9623, a bill to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, by providing means for limiting short selling and speculation in such commodities on such exchanges, by licensing commission merchants dealing in such commodities for future delivery on such exchanges, and for other purposes; to the Committee on Rules.

By Mr. COFFIN: Joint resolution (H.J.Res. 346) directing the American Battle Monuments Commission, or its successor, to restore the inscriptions obliterated from the Three Hundred and Sixteenth Infantry Memorial erected by a French organization on property of that organization at Sillon-Fontaine (Cote 378), Territoire de Sivry-sur-Meuse; to the Committee on Military Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of Puerto Rico, that the final status of Puerto Rico should be statehood, and that the people of Puerto Rico desire that Puerto Rico become a state, forming a part of and associated with the federation of the United States of America, and for other purposes; to the Committee on Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLTON: A bill (H.R. 9677) to authorize the presentation of the Distinguished Service Medal to Karl F. Sneider; to the Committee on Military Affairs.

By Mr. BRUNNER (by request): A bill (H.R. 9678) for the relief of Julius J. Zimmern; to the Committee on War Claims.

Also (by request), a bill (H.R. 9679) for the relief of Ralph J. Lackner; to the Committee on Naval Affairs.

By Mr. CLAIBORNE: A bill (H.R. 9680) for the relief of the Rothschild Bros. Hat Co., of St. Louis; to the Committee on Claims.

By Mr. FULMER: A bill (H.R. 9681) granting a pension to J. M. Fogle; to the Committee on Pensions.

Also, a bill (H.R. 9682) granting a pension to Hugo W. Weathers; to the Committee on Pensions.

By Mr. GASQUE: A bill (H.R. 9683) granting a pension to William H. Worrell; to the Committee on Pensions.

Also, a bill (H.R. 9684) granting a pension to Joseph B. Player; to the Committee on Pensions.

By Mr. LEWIS of Colorado: A bill (H.R. 9685) for the relief of William J. Hart; to the Committee on Military Affairs.

Also, a bill (H.R. 9686) for the relief of Ben Durham; to the Committee on Military Affairs.

By Mr. LUDLOW: A bill (H.R. 9687) for the relief of the Nacional Destilerias Corporation; to the Committee on Claims.

By Mr. REECE: A bill (H.R. 9688) granting a pension to James N. Dugger; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4661. By Mr. BOYLAN: Petition of the Booker T. Washington Society of the Brooklyn Evening High School, Brooklyn, N.Y., favoring the enactment of the Wagner-Costigan anti-lynching bill; to the Committee on the Judiciary.

4662. By Mr. BUCKBEE: Petition of the Young Men's Democratic Club of Peru, Ill., calling upon Congress to enact legislation for the inauguration of a program of Federal aid for home building; to the Committee on Appropriations.

4663. By Mr. BRUNNER: Petition of the Associated Office and Professional Emergency Employees, 232 Seventh Avenue, New York City, urging Congress to pass the workers' unemployment and social insurance bill (H.R. 7598) and demanding that their respective Congressmen sign the round-robin petition to bring it out of committee and publicly work for its passage; to the Committee on Labor.

4664. By Mr. FULMER: Petition of the State Council of South Carolina, Junior Order United American Mechanics, endorsing the petition of Congressman BLANTON in regard to measure introduced to prohibit all immigration into the United States for a period of 10 years, and supporting him in his efforts to secure this much-needed patriotic legislation; to the Committee on Immigration and Naturalization.

4665. Also, petition of the South Carolina State Council of the Knights of Columbus, in convention assembled, condemning discrimination against radio station WLWL as unfair and unjust, and that said State council urges the immediate restoration of station WLWL to its former schedule of broadcasting hours; to the Committee on Merchant Marine, Radio, and Fisheries.

4666. Also, petition of the State session of the Junior Order United American Mechanics of the State of South Carolina, unanimously endorsing the bill introduced by Congressman J. WILL TAYLOR which provides that any alien who has been a resident of the United States for a period of 5 years must make application for citizenship through legal channels or be deported, and hopes that same may be enacted into law; to the Committee on Immigration and Naturalization.

4667. By Mr. LAMBERTSON: Petition of 91 citizens of Topeka, Kans., urging the passage of legislation for the benefit of old-age pensioners, signed by W. E. Stewart, president, 329 Liberty Street, Topeka, Kans., and the secretary, Ida Brown, 227 Jefferson Street, Topeka, Kans.; to the Committee on Labor.

4668. By Mr. LINDSAY: Petition of the Iron Molders Union, No. 96, Brooklyn, N.Y., favoring the enactment of the Wagner-Lewis bill; to the Committee on Labor.

4669. Also, petition of the American Federation of Labor, Washington, D.C., favoring the enactment of the Connery 30-hour week bill; to the Committee on Labor.

4670. Also, petition of the Order of Railway Conductors of America, S. N. Berry, president, favoring the Hatfield-Wagner pension bill (S. 3231) and House bills 9596 and 9597; to the Committee on Interstate and Foreign Commerce.

4671. Also, petition of the New Jersey Broadcasting Corporation, radio Station WAOM, favoring all restrictions relating to separation of families be removed from the present immigration laws; to the Committee on Immigration and Naturalization.

4672. By Mr. RUDD: Petition of De Soto Council, No. 327, Knights of Columbus, New York City, favoring the proposed amendment to section 301, of Senate bill 2910, and the proposed amendment to House bill 8301, page 67, between lines 7 and 8, new section 507; to the Committee on Interstate and Foreign Commerce.

4673. Also, petition of the New Jersey Broadcasting Corporation, Station WHOM, favoring all restrictions relating to separation of families be removed from our present immigration law; to the Committee on Immigration and Naturalization.

4674. Also, petition of the Order of Railway Conductors of America, favoring the Hatfield-Wagner pension bill (S. 3231) and House bills 9596 and 9597; to the Committee on Interstate and Foreign Commerce.

4675. Also, petition of Commercial Credit Union, Brooklyn, N.Y., favoring the passage of Senate bill 1639; to the Committee on Banking and Currency.

4676. Also, petition of the Iron Moulders Union, No. 96, Brooklyn, N.Y., favoring the passage of the Wagner-Lewis bill; to the Committee on Labor.

4677. By Mr. SMITH of Washington: Petition containing approximately 400 names of residents in southwest Washington, in behalf of the Townsend old-age revolving pension plan; to the Committee on Labor.

4678. By Mr. TERRELL of Texas (by request): Petition memorializing Congress to enact an old-age pension law; to the Committee on Labor.

4679. By the SPEAKER: Petition of the provincial government of Abra, Bangued, P.I., bespeaking its gratitude for the enactment of the Philippine independence bill; to the Committee on Insular Affairs.

4680. Also, petition of the municipal government of Abulug, Province of Cagayan, P.I., bespeaking its gratitude for the enactment of the Philippine independence bill; to the Committee on Insular Affairs.

4681. Also, petition of the Parent Teachers' Association of Assumption Congregation, West Allis, Wis., supporting the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4682. Also, petition of the Central Illinois S.N.P.J. Federation, Virden, Ill., supporting House bill 7598; to the Committee on Labor.

4683. Also, petition of the Burroughs Citizens Association, Washington, D.C., with respect to the budget of the District of Columbia; to the Committee on Appropriations.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Thursday, May 17, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Kean	Reynolds
Ashurst	Cutting	Keyes	Robinson, Ark.
Austin	Davis	King	Robinson, Ind.
Bachman	Dickinson	Logan	Russell
Bailey	Dieterich	Lonegan	Schall
Bankhead	Dill	Long	Shipstead
Barkley	Duffy	McCarran	Smith
Black	Erickson	McGill	Steiwer
Bone	Fess	McKellar	Stephens
Borah	Fletcher	McNary	Thomas, Okla.
Brown	Frazier	Metcalf	Thomas, Utah
Bulkley	George	Murphy	Thompson
Bulow	Gibson	Neely	Townsend
Byrd	Glass	Norbeck	Tydings
Byrnes	Goldsborough	Norris	Vandenberg
Carey	Hale	Nye	Van Nuys
Clark	Harrison	O'Mahoney	Wagner
Connally	Hastings	Overton	Walcott
Coolidge	Hatch	Patterson	Walsh
Copeland	Hayden	Pittman	Wheeler
Costigan	Johnson	Pope	White

Mr. ROBINSON of Arkansas. I announce that the Senator from California [Mr. McAdoo] is absent because of illness; and that the junior Senator from Arkansas [Mrs. CARAWAY], the Senator from Oklahoma [Mr. GORE], the Senator from Texas [Mr. SHEPPARD], the Senator from Florida [Mr. TRAMMELL], and the Senator from Illinois [Mr. LEWIS] are necessarily detained from the Senate.

Mr. FESS. I desire to announce that the Senator from New Jersey [Mr. BARBOUR], the Senator from West Virginia [Mr. HATFIELD], the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from Pennsylvania [Mr. REED], and the Senator from Rhode Island [Mr. HEBERT] are necessarily absent.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

NOMINATION OF CADETS TO BE ENSIGNS IN THE COAST GUARD

As in executive session,

Mr. STEPHENS. Mr. President, the graduating exercises of the Coast Guard Academy will be held within a few days. Five young men will be graduated from the academy, and their nominations to be ensigns in the Coast Guard have been sent to the Senate and referred to the Committee on Commerce. From that committee I report favorably the nominations, and ask unanimous consent that, as in executive session, the nominations of these five young men be confirmed.

Mr. HARRISON. Mr. President, may I ask the Senator if there will be any discussion about the confirmation of the nominations?

Mr. STEPHENS. I think not. I have conferred with the two leaders with regard to this matter. As I have said, the exercises will be held in a very few days, and it is desired that commissions may be presented to the young men on their graduation.

Mr. McNARY. Mr. President, is this the matter about which the Senator spoke to me yesterday?

Mr. STEPHENS. It is.

Mr. McNARY. For the RECORD, I suggest that the Senator make a statement touching the reasons why immediate action is desired.

Mr. STEPHENS. Mr. President, as I have said, the graduating exercises of the Coast Guard Academy will be held within a few days. There will be five graduates, and the nominations of those five young men to be ensigns in the Coast Guard have been sent to the Senate. The nominations promoting them from cadets to ensigns were referred to the Committee on Commerce, from which I have reported

SENATE

FRIDAY, MAY 18, 1934

(Legislative day of Thursday, May 10, 1934)

The Senate met at 12 o'clock meridian, on the expiration of the recess.